



TRASTA KOMERCBANKA

GENERAL TRANSACTION
AND ACCOUNT SERVICE
REGULATIONS

1. General provisions

- 1.1. The General Transaction and Account Service Regulations (hereinafter – the Regulations) shall govern legal relations between the joint-stock company “TRASTA KOMERCBANKA” (hereinafter – the Bank) and its Customers. Each specific Bank transaction and provisions of any such specific services shall be subject to separate regulations issued by the Bank, instructions and agreements made thereof between the Bank and the Customer. Unless otherwise provided by a specific agreement, these Regulations shall form an integral part of each and any agreement (hereinafter – the Agreement) made by the Customer and the Bank (hereinafter jointly and severally referred to as the Party/Parties). These Regulations shall apply to all separate cases not stipulated by a specific agreement between the Parties or shall serve for resolving of any disputes or unclear points arising out of or in connection with any particular agreement made between the Parties.
- 1.2. The current account opened with the Bank shall be a multi-currency current account (hereinafter – the Account). According to the Regulations, the Customer shall be obliged to open the Account with the Bank prior to rendering of financial services by the Bank.
- 1.3. Opening and Servicing of a Temporary Account
The Bank shall have the right to open a temporary account to the Customer (hereinafter – the Temporary Account) if the purpose of account opening is depositing of stock capital prior to registration of a company with the Enterprise Register of the Republic of Latvia (Commercial Register). Upon opening of a Temporary Account the Bank shall be provided with the memorandum of incorporation (decision on association/incorporation). The stock capital shall be deposited by a person who is duly authorised thereof. In the event such authorisation of the person to deposit the said stock capital is not stated in the memorandum of incorporation, the Bank shall obligatorily require a power of attorney thereof according to the requirements of the Regulations.
After the registration of the company with the Enterprise Register of the Republic of Latvia (Commercial Register) the Temporary Account shall be transformed into a regular Current Account and to this end the Customer shall be obligated to submit to the Bank all relevant documents in accordance with these Regulations.
- 1.3.1. Closing of a Temporary Account
A Temporary Account, not transformed into a regular current account, shall be closed after the Bank receives a certificate signed by the founders confirming that the company shall not be founded and the money shall be repayable to the founders (or to the authorised person). The power of attorney for receiving the money shall be executed in accordance with the provisions of these Regulations of the Bank.
- 1.4. The signatures of representatives of the Parties to the Agreement, drawn up and signed according to a form authorised by the Bank, shall certify that the Parties have fully read the provisions of the Agreement and these Regulations, agree with them and undertake to comply with them.
- 1.5. If the person who has signed the Agreement on behalf of the Customer is not authorised to represent the Customer, the signatory shall assume all obligations of the Customer arising from the Agreement as a natural person.
- 1.6. By signing this Agreement the Customer shall acknowledge the following:
- 1.6.1. The activity of the Customer is and will remain legitimate and it is not connected and will not be connected to the laundering of proceeds derived from illegal/criminal activity and terrorism financing;
- 1.6.2. The Customer shall ensure legitimacy of the funds deposited/transferred to the account.
- 1.7. Any kind of informative material (e.g., information booklets or promotion of Bank services) shall not be regarded as an offer on the part of the Bank for entering into an Agreement and the Bank shall have the right to introduce alterations or supplements to the said information material.
- 1.8. The General Bank's Price List approved by the Bank (hereinafter – the Bank's Price List), which states service fees and commissions chargeable by the Bank, shall form an integral part of these Regulations.
- 1.9. The Bank shall have the right upon request of its correspondent bank to provide such bank with information and documents obtained in the course of investigation and identification of the Customer, true beneficial owner or authorised person that is connected to the transaction performed through the said correspondent bank. The Bank thereby notifies that the information provided in accordance with this clause may be transferred further.
- 2. Customer identification, verification of the customer's scope of capacity**
- 2.1. To confirm Customer's legal capacity and legal capability, before commencing of cooperation with the Bank (with respect to any Bank services) the Customer shall submit to the Bank documents, which certify the identity and the right to manage the account and comply with the regulatory enactments of the Republic of Latvia and Bank's requirements (including legalized, where necessary). These documents shall be submitted in the original in order a Bank representative could make their copies and certify such copies thereto; or these documents shall be submitted as notarially certified and/or appropriately legalised copies. The copies shall remain with the Bank and the Bank shall have the right to charge the Customer for making of document copies in accordance with Bank's Price List.
- 2.2. When considering the documents, submitted by the Customer, and further on while rendering Bank services and concluding transactions with the Customer, the Bank may require any documents and information concerning Customer's actual beneficiaries, performed and planned business activities as well as documents to prove income and information about the purpose for opening the Account.
- 2.3. Upon opening and managing an account the Customer shall present all the documents required by the Bank. The Customer shall be responsible for correctness and completeness of such information provided thereto.
- 2.4. The Customer shall forthwith notify the Bank of any changes in the information and/or documents submitted to the Bank prior to opening an account or during the Agreement. If the Customer fails to submit the information to the Bank timely or the information submitted is not correct or not complete, the Customer shall indemnify the Bank for any losses caused due to non-fulfilment of this provision.
- 2.5. The Bank shall examine and review the documents submitted and if the Bank arrives at a positive decision, the Bank shall open an account to the Customer and render the account service according to Customer's orders, terms and condition of the Agreement and these Regulations. If the Bank arrives at a negative decision, the Bank shall inform the Customer thereof without stating the reason. The Bank shall charge a fee for review of documents according to the Bank's Price List.
- 2.6. Documents to be submitted to the Bank:
- 2.6.1. By Natural persons (Residents)
- passport or ID card
- 2.6.2. By Natural persons (Non-residents)
- 2.6.2.1. natural persons – non-residents, who appear in person at the Bank in the Republic of Latvia, shall be identified according to their personal ID document valid to enter the territory of the Republic of Latvia.
- 2.6.2.2. natural persons – non-residents, who do not appear in person at the Bank, may be identified according to the domestic passport of their residence country, other personal ID document recognised in the respective country or a document allowing entering the country where identification of the person is to be performed.
- 2.6.3. Legal persons (residents), in consideration of the specific form of business activity:
- Registration Certificate;
 - Articles of Association, Regulations, inclusive of all amendments thereof if any such exist;
 - documents, determining the circle of persons having the right to represent the legal person and the scope and the term of such representation right (memorandum of association, founder (shareholder) meeting minutes, founder's decision, orders, powers of attorney, procuratorships);
 - documents, which certify ownership rights (share register). If the Customer fails to provide the Bank with the documents listed herein, the Bank may obtain a printout of such documents from LURSOFT database and charge a fee thereof according to the Bank's Price List. If the Customer is a joint-stock company which has issued registered shares, the Customer shall be obliged to submit the register of shareholder;
 - a statement issued by the Enterprise Register of the Republic of Latvia concerning the officials vested with signatory powers (representation rights) or decision regarding the registration of authorised persons' signatory powers (representation rights) with the Enterprise Register of the Republic of Latvia. Such documents must be issued maximum 15 (fifteen) days before their submission to the Bank. If the Customer fails to provide the Bank with the documents listed herein, the Bank may obtain a printout of such documents from LURSOFT database and charge a fee thereof according to the Bank's Price List.
- Natural persons, representing a legal person shall be identified according to the above stated requirements for natural persons.
- 2.6.4. Legal persons (non-residents), in consideration of the specific form of their business activity and legislation of the country where the legal person is registered.
- Registration Certificate;
 - Articles of Association and/or Memorandum of Association;
 - if a company was registered over a year ago and the authorised person holds a non-term power of attorney or appointment as an official for an unlimited period, the document issued by the relevant state register or institution certifying the company's current legal status (Certificate of Good Standing, Certificate of Incumbency, etc.) shall be required;
 - documents, determining the circle of persons having the right to represent the legal person and the scope and the term of such representation right (powers of attorney, decisions on appointment);
 - documents, certifying True beneficial owner's participation in the company (equity or share ownership) (e.g., share certificates, extracts from the register of shareholders, participants, agreement on share management, etc.).
- Natural persons, representing a legal person shall be identified according to the above stated requirements for natural persons.
- 2.7. Legal persons concurrently with their signature on the Signature sample card shall affix their stamp imprint of the company (if any such stamp is required according to regulatory documents of its registration country and requirements for registration of legal documents);
- 2.8. Supplementary Provisions for Customer Identification
- 2.8.1. The Bank shall have the right to require any additional documents as well as to take any other measures in order to fully identify the Customer and obtain a clear notion of its activity and actual beneficiaries.
- 2.8.2. Powers of attorney, documents certifying representation or signatory powers, as well as any cancellations or amendments thereof shall be regarded as fully valid and effective only when submitted to the Bank in writing. All amendments to the documents mentioned herein shall be prepared by the Customer and submitted to the Bank in accordance with the requirements set out in these Regulations with respect to the said documents.
- 2.8.3. The Bank shall have the right to require and the Customer shall be obliged to provide information or documents necessary for investigation of the Customer, including about true beneficiaries, Customer's transactions, Customer's and true beneficiary's business and personal activity, financial standing, sources of money and other funds.
- 2.8.5. If pursuant to requirements of the applicable legislation or orders, decisions, instruction or requests of any competent (supervisory) authority, it is necessary for the Bank to obtain any additional information or documents with respect to the Customer or Customer's transactions, the Bank shall contact the Customer to notify of the information and/or documents required as well as of the date by which such information and/or documents are due.
- 2.9. Scope of legal capacity.
- 2.9.1. If the Customer is a natural person, the right to use the account shall have the Customer or its authorised person based on a Power of Attorney. A duly notarised (duly legalised, if issued abroad) power of attorney or a power of attorney prepared according to the form approved by the Bank shall be submitted to the Bank in the presence of a Bank representative and certified by the Bank representative.
- 2.9.2. If the Customer is a legal person, the right to use the account shall have its representative based on a document certifying the right of representation.
- 2.9.3. The account holder shall have the right to perform banking operations on its/his/her own behalf or authorise any third party thereof. In order to authorise a third party the Customer shall expressly demonstrate in writing his/her intention to authorise the third party with the power to manage the account, sign documents on behalf of the Customer, issue order and/or conclude transactions with the Bank. The account holder shall have the right to cancel any authorisation given to a third party notifying the Bank in writing thereof. The Bank shall not have the obligation to check the validity of any such authorisation submitted to the Bank (including cancellation thereto). If the Customer has not notified the Bank of the cancellation of authorisation, the Customer shall assume liability for any consequences which may arise due to such failure to notify the Bank.

3. Correspondence

The Customer and the Bank shall maintain correspondence in the Latvian, Russian or English language.

The Bank shall have the right to require duly notarised (and legalised (apostilled)) translations of the Customer's documents submitted to the Bank (including identification documents) if such documents have not been executed in any of the above mentioned languages. If the Bank prepares such translations on its own or it uses translation services of a third party, the Customer shall reimburse the Bank for all costs arising thereof. The Bank shall have the right without prior approval of the Customer to deduct from the Customer's account any costs in connection with producing of any such translations.

3.1. Sending and Receiving of Correspondence

All notices, letters, account statements and confirmations shall be sent to the Customer by post, by fax or by e-mail and shall be considered received as from the date of their posting if a document, letter, statement, etc. is sent to the Customer's mail address, e-mail address or fax number specified in the respective Agreement.

The Customer may receive all notices, letters, account statements and confirmations via the TrastNet system.

The Customer shall assume all feasible risks which may arise from sending any correspondence via electronic means of communication. In sending documents by fax, the Customer shall make certain that the Bank has received the document.

The Customer is aware that when sending of any notices and requests via Trast.Net outside opening hours of the Bank they shall be considered received by the Bank on the next Banking day.

All cheques, promissory notes/bills of exchange or any other payment documents shall be sent only by registered mail or courier mail.

4. Payment orders

4.1. Payment orders shall be prepared according to a form approved by the Bank and the Customer shall ensure that all appropriate sections of a payment order are filled out in a clear and legible manner. The Bank shall have the right not to execute a payment if:

- 1) the payment purpose has not been clearly set,
- 2) the Bank has not obtain true and clear notion of the transaction performed.

4.2. All documents furnished to the Bank shall be filled out and signed with a blue or black pen. The Bank shall not have the obligation to verify whether appropriate pens are used as provided herein.

4.3. The Customer shall be liable for any losses resulting from using any writing tools other than those mentioned in Sub-clause 4.2 or submission of documents that are illegible or wrongly prepared (i.e., not in accordance with the form approved by the Bank), and the Bank shall not be liable vis-à-vis the Customer for any losses resulting hereof. If the wording of the amounts stated in a payment order differs from the numerical expression of such amounts, the wording of the amounts shall be regarded as prevailing. The Bank shall have the right not to execute any payment orders that are incorrect, incomplete or prepared illegibly, as well as the orders containing crossed out words or any other corrections.

5. Payment operations

5.1. The Bank shall have the right without prior approval of the Customer to accept any payments into the Customer's account. Such right shall be revocable only when closing the account. The Customer shall be responsible for compliance of all transactions performed by the Customer with the applicable regulatory enactments of the Republic of Latvia. Hereby the Bank has notified the Customer that pursuant to the applicable regulatory enactments of the Latvian Republic any funds may be credited to a holder's account also if only recipient's account number indicated in the payment order is available (IBAN). However, the Bank shall reserve the right not to execute a payment order in the events as follows:

- 1) the Bank has reasonable doubts as to compliance of the recipient's name with the account number;
- 2) the Bank has not obtained a true and clear idea of the Customer's transaction.

The Customer shall have the obligation to submit to the Bank the documents and information in order the Bank to have true and clear notion as to transactions performed by the Customer. If such documents or information is not submitted as required within five days following the date of payment receipt by the Bank, the Bank shall have the right to refuse transferring of funds to the Customer's account and to return the funds to the sender's account.

The Bank shall have the right not to execute Customer's orders in other cases provided for by the Regulations or in cases specified in the agreements between the Bank and the Customer.

5.2. Debiting of funds (transferring) from the Customer's account).

5.2.1. The Bank shall perform transactions according to the Regulations and Customer's orders, unless otherwise provided for by a specific agreement made by the Parties. The order may be given either in person or sent via electronic means of communication. The consent to execute the payment stated in the order shall be deemed received at the moment when the Customer has confirmed by Identifier the order according the manner in which each respective payment order is submitted pursuant to these Regulations, and the Bank has approved such confirmation by Identifier. The Customer shall give consent to execute the payment stated in the order in the same manner in which the Customer has confirmed the order by Identifier according to the manner in which each respective payment order is submitted pursuant to these Regulations. If the amount under the payment order exceeds the balance of the Customer's account in a given currency, the Customer may instruct the Bank to make the payment using the available Customer's funds in other currencies. If such Customer instruction is not given, the payment order shall not be accepted. The Bank shall execute Customer's orders only provided that there are enough funds in the Customer's account to execute such orders.

5.2.2. The Bank may refrain from fulfilment of Customer's orders if the Bank considers that Customer's activities can be related to legalisation of proceeds derived from criminal activity. In such events the Bank shall act in accordance with the applicable legislation governing the issue of prevention of the laundering of proceeds derived from criminal activities, including the Customer shall be obliged upon the Bank's request to present information and documents regarding true beneficiaries, including

third parties and any performed Customer transactions, economic, personal activity, financial standing and sources of funds of the Customer.

5.2.3. In the event the Customer fails to submit information and documents required for investigation of the Customer, including about true beneficiaries, Customer's transactions, Customer's business and personal activity, financial standing, sources of money and other funds, the Bank shall be entitled to take one or several measures mentioned hereinafter below:

- 1) not to perform transactions with the Customer until the Customer has submitted the data required by the Bank within the time frame and scope set by the Bank;
- 2) to terminate business relations with the Customer and require pre-term fulfillment of obligations within the time frame set by the Bank.

5.2.4. The Bank shall only act upon such Customer's orders that are filled out in accordance with the form approved by the Bank with all the sections of a payment order completed as appropriate. The payment order must be signed on behalf of a particular Customer by the person vested with signatory powers and (if foreseen) it shall have the Customer's stamp on it which complies with the sample in the signatures sample card. The Bank shall compare visual compliance of the stamp imprint to that contained in the signatures sample card; without regard to the colour of the stamp. If these details are lacking (or incomplete and/or imprecise) the Bank shall have the right (but not the obligation) to reject a payment order notifying the Customer thereof and requesting the Customer to prepare a payment order in a proper manner. The Bank shall not be obliged to notify the Customer of such rejection of a payment order if: 1) the sender cannot be identified; 2) the Customer does not have enough funds in the Account to execute the given payment order.

5.2.5. The Bank shall not be held liable if it has been stated through expert examination that the signature and stamp are counterfeited. Exclusion of this provision is the case when the Bank has demonstrated gross negligence in comparing the signature and the stamp imprint.

5.2.6. The Bank shall not have the obligation to identify the persons that submit to the Bank payment orders prepared by the Customer if such orders are compliant with these Regulations (and provisions of any other agreements concluded between the Parties).

5.2.7. If the Customer has sent to the Bank via facsimile or other electronic means of communication multiple payment orders for the amount exceeding the funds available to the Customer, the Bank shall have the right to execute such orders in free sequence at its own discretion, if the Customer has not requested other sequence of payments.

5.2.8. The payment order acceptance date shall mean the day when the Bank receives the payment order submitted by the Customer. If a payment order is received after the office hours of the Bank, as stated in the Pricelist, it shall be regarded as received on the next working day of the Bank.

5.2.9. A payment order shall be regarded as received by the Bank when:

- using TrastNet: it is received in the Bank's TrastNet system (the Customer has received TrastNet notification "Passed for execution"),
- using the telephone bank: Bank officer has accepted it by telephone,
- using fax: the Bank has received it as a facsimile document and has registered it,
- submitting original documents to the Bank: the Bank officer has accepted it, stamped and signed a copy of the original document.

If a payment order cannot be executed due to insufficiency of funds in the Customer's Account, the payment order shall be executed forthwith after enough funds are received in the account. In this case the payment order receipt date shall be considered the day when the Customer's account has sufficient funds to execute the payment order but in any case the payment order shall be regarded as valid for execution until the end of the sixth banking day following the date of its issue.

5.2.10. If the Customer opts to initiate the execution of the payment order within a definite term, the Customer shall specify such term upon submission of the payment order to the Bank. The Bank shall execute a payment order on a specified date provided that there are enough funds in the account on such date of payment execution. In this case the date of receipt of the payment order shall be considered the day on which the Parties have agreed thereof. Upon submission of a payment order to the Bank the Customer shall have the right to specify whether the payment order is due as an express transfer or an urgent transfer. If no specifications are made in this respect, it shall be assumed that the Customer has not issued any special instructions as to execution of the payment order and such payment order shall be executed as a standard payment order.

5.2.11. The Bank shall transfer such payments to the Customer's account whose number is indicated in the payment order. If a payment is made in a foreign currency, it shall be recorded in the Customer's account in the respective currency (indicated in the payment order), unless otherwise agreed between the Bank and the Customer.

5.2.12. The Bank shall not assume any liability for Customer's funds transferred to the Customer's account without using a Bank's correspondent account from the official Bank's list of correspondent banks (the list is available on the Bank's internet page at www.tkb.lv), and the Customer confirms that shall not file any claims against the Bank in this respect.

5.2.13. The Customer cannot cancel a payment order after it is received by the Bank. If the Customer upon submission of a payment order to the Bank, has indicated that it is due on a specified date (paragraph 5.2.10), then the Customer can cancel such payment order not later than until the end of the working day preceding the payment execution date, followed by the day when in accordance with the agreement made between the Customer and the Bank the payment execution would be initiated. However, in any case the Customer may request the Bank to cancel the payment order after it is received by the Bank, and in this case the Bank shall seek to cancel as far as possible or shall make an attempt to cancel the payment order.

5.3. Opening of sub-accounts.

Based on a written application of the Customer and proper justification thereof, the Bank may open a sub-account to the Customer's account. In creating a sub-account number, the Customer's number shall be used. A sub-account shall form a part of the Customer Account and any sub-account activities shall be performed according to these Regulations and Customer's responsibility shall be governed by these Regulations.

The Bank may refuse to open a sub-account to the Customer without providing any special motivation thereof.

- 5.4. Special provisions.
If the Bank and the Customer have agreed that the Bank shall transfer money to the Customer's account forthwith after confirmation from the correspondent bank has been received but the bank has not received its correspondent account statement yet, the Customer and the Bank shall act according to the provisions set forth below:
- 5.4.1. if upon receiving its correspondent account statement the Bank establishes that:
- 1) the money that has been transferred to the Customer's account based on the confirmation from the correspondent bank, actually has not been transferred (in full or in part) to the respective Bank's correspondent account or
 - 2) the money transfer to the Customer's account is unjustified and erroneous, or
 - 3) or the amount of money transferred to the Customer's account has been revoked, the amount, transferred to the Customer's account based on confirmation of the correspondent bank shall be regarded as unjustified transferred money (hereinafter referred to as the "unjustified transferred money"), and the Bank shall be entitled to write off the unjustified transferred money from the Customer's account without consent of the Customer.
- 5.4.2. If the money in the Customer's account is not sufficient in order the Bank to write off the unjustified transferred money, the Bank shall be entitled to write off this amount from any Customer's accounts opened with the Bank (incl. to write off the amount in any currency, applying the currency exchange rate set by the Bank on the day of money write-off), and to use any other Customer's funds that are at the Bank's disposal.
- 5.5. To perform Customer's payment orders the Bank shall choose an intermediary institution and the payment settlement system at its own discretion.
- 6. Use of electronic communication means**
- 6.1. By electronic communication means the Parties shall understand the Internet and telephone communication, as well as application of any software, assigned by the Bank to the Customer for using of bank services.
- 6.2. The Bank hereby acknowledges that the Customer's message forwarded to the Bank via electronic communication means which contains the information confirmed by the Customer's Identifier (in accordance with the Regulations) shall have full legal force of a document. The Customer shall authorise the Bank to manage Customer information received via electronic communication means the same as the document hard copies. Any information the Parties send or receive via electronic means of communication shall be treated as written evidence under the applicable laws and regulations of the Republic of Latvia for resolving of any disagreements between the Parties.
- 6.3. If the Customer and the Bank have agreed to make conversion transactions, the Customer shall have the right to issue orders for such conversion transactions via the telephone. In such occasions the records of telephone conversations shall serve as confirmation of Customer's orders to the Bank and shall be applied as evidence in case of a dispute according to Clause 6.2 of the Regulations.
- 6.4. The Customer shall have the obligation to ensure such conditions that make impossible access of any unauthorised third party to the data encryption means provided to the Customer as well as to the software used for preparation and receipt of information, or to the document archive. If the Customer is aware or suspicious of such information having become available to third parties, the Customer shall forthwith notify the Bank thereof. Such notice may be given in any form. However, if such notice has been given orally, the Customer shall be obliged to serve subsequent notice in writing. The Bank shall be responsible vis-à-vis the Customer from the moment of receipt of a Customer's notice with regard to any such information becoming known to third parties.
- 6.5. The Customer shall be responsible for all transactions performed on the basis of orders sent via electronic means of communication on the Customer's behalf (exclusive of cases when according to these Regulations the Customer has duly notified the Bank of the Identifier becoming known to third persons). In connection with the said above, the Customer hereby assumes all risks and liability for any losses resulting from errors and/or disruptions in the electronic means of communication, including blackouts, brownouts due to destruction or damage caused to communication systems. The Customer hereby confirms that no claims shall be raised against the Bank thereto.
- 7. Test keys, access codes, passwords**
- 7.1. Access codes, PIN (Personal Identification Number), passwords and test keys (hereinafter referred to as "Identifiers") are intended for enhancing security of communication between the Customer and the Bank. Application of Identifiers shall be governed by the regulations and orders on which basis the Customer shall have the right to apply Identifiers in using Bank services. To obtain Identifiers the Customer or Customer representatives shall apply to the Bank and fill out the required documents.
- 7.2. A Test Key is an encryption system used for confirmation of particular activities undertaken on the basis of mutual agreements between the Bank and the Customer. Any payment order or an order related to servicing an account as well as an application for opening a deposit account, confirmed by a test key as an expression of Customer's will, shall be treated as documents having equal legal force with those prepared in writing and confirmed by Customer's (or Customer representative's) signature and stamp (if required), i.e., if complied with the above mentioned the Bank shall accept the expression of Customer's will as firmly stated. In addition to the foregoing and provided that the Bank has firmly expressed its consent to accept the Agreements which the Customer has signed with a test key, the Parties acknowledge that such Agreements shall have equal legal force with those confirmed by Customer's signature and stamp. For the purpose of this Clause the term Agreement/Agreements shall incorporate: loan agreements, overdraft agreements, factoring agreements, warranties, agreements on granting of guarantees, applications and documents connected to documentary operations, as well as any other contracts and agreements on which basis the Bank issues a loan to the Customer or Parties regulate any questions related to issue of loans, and services related to documentary operations and issue of bills of exchange. The legal force mentioned above in the second Clause shall apply to any other Customer's order to the Bank if confirmed by the Customer's test key as an expression of Customer's will, provided that such procedure of giving Customer's orders that are binding upon the Bank is fixed by a mutual agreement between the Customer and the Bank.
- 7.3. Any orders sent by the Customer to the Bank either via facsimile or electronic communication means that are confirmed by Identifiers shall be regarded as written evidence under the applicable laws and regulations of the Republic of Latvia for resolving of any disputes between the Parties. For the purpose of this Clause any records of telephone calls between the Bank and the Customer are to be considered as verification thereof.
- 7.4. If the Customer has lost Identifiers, or they have become known to any third party, the Customer shall have the right to obtain new Identifiers. In that event the Customer or Customer's authorised person shall apply to the Bank in person, and new Identifiers shall be issued based on the general procedure.
- 7.5. If the Bank has reasonable grounds to suppose that an unauthorised party has given orders or used Identifiers on behalf of the Customer, the Bank shall have the right (but not the obligation) not to perform Customer's orders unilaterally and without prior notice and to deny access to the particular service. The Bank shall notify the Customer thereof with a delay.
- 8. Customer complaints**
- 8.1. Upon receipt of an account balance statement or any other document the Customer shall have the duty to check immediately such documents for correctness and completeness. Any written complaints as to the content of received documents shall be furnished forthwith upon their receipt but not later than within 14 (fourteen) days following the date when the Customer receives any such document. If the Customer fails to submit a complaint within the above specified term, it shall be deemed that by keeping silence the Customer has accepted the transactions performed. If the Customer has not received the expected payment or the Customer becomes aware that a Customer's order has not been executed or executed improperly, or the Customer has not received the transactions performance report (statement of account balance, etc.), the Customer shall be obliged to promptly notify the Bank thereof.
- 8.2. The Bank shall consider Customer's complaints according to the procedure prescribed in Section 9 of these Regulations.
- 9. Procedure for consideration of complaints**
- 9.1. Any Customer of the Bank shall have the right to lodge a complaint regarding the services furnished, including complaints related to clearance remittances and transactions involving electronic means of payment.
- 9.2. The Customer may submit a complaint to the Bank in a convenient for the Customer manner: by telephone – 67027777; appearing at the Bank in person or sending by mail to the legal address of the Bank. If the Customer is a TrastNet user, the complaint may be sent via this system.
- 9.3. A complaint lodged in writing shall state:
- 9.3.1. Applicant's data (for a natural person: name, surname, personal ID, if any, or passport data; for a legal person: full name, registration No., authorised representative's name, surname, applicant's telephone No. and address);
 - 9.3.2. Substance of the complaint;
 - 9.3.3. Documents justifying the complaint.
- 9.4. Any complaint shall be signed by the Customer or its representative and shall be accompanied with the documents, confirming the right of representation (unless there are any such documents at the Bank's disposal).
- 9.5. The Bank shall review complaints of Customers within the shortest possible time. The Bank shall reply to a Customer's complaint in the manner in which the complaint was received.
- 9.6. The Bank shall reply to an oral complaint of the Customer in a prompt manner. If the preparation of a reply requires more time, the Bank shall notify the Customer of the approximate time of providing a reply.
- 9.7. The Bank shall consider and reply to a written complaint of the Customer within 30 (thirty) days. If consideration of a complaint requires more time, the Bank shall notify the Customer of the approximate time of providing a reply.
- 9.8. If the Customer is not satisfied with the reply of the Bank to a complaint, the Customer shall have the right to lodge a complaint to the Association of Commercial Banks of Latvia Ombudsman. More detailed information about the Association of Commercial Banks of Latvia Ombudsman is available in the internet: www.bankasoc.lv/skirejtiesa/ombuds.
- 10. Interest and bank service charges**
- 10.1. The interest accrued on the account balance, Bank service charges and Bank fees shall be set on the basis of the effective Bank's Price List. Interest for the current account balance shall be calculated for the actual number of calendar days of a deposit, assuming that there are 356 (three hundred sixty five) days a year unless otherwise stated in separate agreements between the Bank and the Customer.
- 10.2. Unless otherwise agreed with the Customer, the Bank may charge reasonable fees for other services not included in the Price List but deemed as necessary when acting upon a Customer's order. If the Bank and the Customer have agreed on the amount of fees prior to provision of any services, the Customer shall have no further right to dispute the amount thereof.
- 10.3. The Bank shall reserve the right to change unilaterally the interest rates applied to account balances of Customers and the service fees charged according to the Bank's Price-List. Such changes shall become effective on the next day after their approval unless any other effective date is determined.
- 11. Taxes, duties and other charges**
- If pursuant to the legislation of the Republic of Latvia or other regulatory enactments the Bank is obliged to withhold taxes from any amounts payable to Customers, the Bank shall provide such payments to the Customer only after the due taxes are withheld from the Customer's account according to the legislation of the Republic of Latvia.
- 12. Confidentiality**
- The Bank shall keep confidential all information with respect to Customer transactions. The Bank shall have the right to disclose any information regarding the Customer, Customer's accounts, funds and transactions, as well as any other information that is regarded confidential pursuant to the applicable regulatory enactments of the Republic of Latvia or any information that is treated as confidential under a mutual agreement between the Bank and the Customer and that has become known to the Bank upon fulfilment of its assignment exclusively in the events provided for and governed by the regulatory enactments of the Republic of Latvia. The Customer hereby agrees and grants the right to the Bank to provide information about the Customer and his account transactions if such information is required by correspondent banks of the Bank and the Bank shall have the right to exchange data about the Customer with other banks in compliance with the laws and regulations in force.

13. Bills of exchange, cheques and related documents

- 13.1. The cheques, submitted to the Bank, shall be filled out according to the form approved by the Bank and they shall be signed by the persons, specified in the Customer signature sample card, as well as stamped with the company stamp (if such is foreseen in the Customer Signature Sample Card).
- 13.2. A Cheque drawn on the territory of the Republic of Latvia shall be valid and accepted for payment within eight days starting from the date written on the cheque. A cheque drawn abroad shall be valid and accepted for payment pursuant to the applicable regulatory enactments.
- 13.3. The Bank shall have the right to debit the Customer account for the amount of any cheque, bill, note or related means of payment that appeared to be credited, discounted or otherwise invalid or having no cover. However, prior to repayment of the debit balance the Bank shall retain its claims for the total amount of cheques or bills (notes) as well as the claims against any third party bound by such note or document.
- 13.4. If a person submits to the Bank for clearing a cheque that has been transferred to the person (with an endorsement), he/she shall have the duty to prove the right for the cheque by means of uninterrupted series of endorsements. As evidence for the person (or several persons accordingly) having transferred the cheque with an endorsement shall serve notarised certification showing the signature (-s) of this person (persons), and providing information that the cheque is transferred to that particular person. The said certification shall be prepared according to the requirements of the effective regulatory enactments concerning certification of document authenticity and appropriately certified translation of this document shall be provided as well if the document is not issued in English, Russian or Latvian.

14. Liability of the bank

- 14.1. The Bank shall not be liable for any Customer's losses or damage resulting from natural disaster, hostilities, international conflicts, applicable effective regulatory enactments and decisions of the Republic of Latvia, orders and instructions of the Financial and Capital Market Commission or of similar bank supervisory authorities, as well as resulting from blackouts or brownouts in communication systems or power supply, or due to actions of third parties.
- 14.2. If the Bank acting under a Customer's order uses services of any intermediary institution or payment settlement system, the Bank shall not be liable for such services provided by an intermediary institution or a payment settlement system.
- 14.3. The Bank shall be liable to the Customer for correct execution of payments in compliance with the law of the Republic of Latvia Law on Payment Services (hereinafter – Law on Payment Services) and in accordance with these Regulations.
- 14.4. If a payment where the Customer is a beneficiary is not executed or is executed erroneously and according to the Law on Payment Services and these Regulations the Bank is not liable for said actions, the provider of the payer's payment services shall be held responsible.
- 14.5. If in compliance with the Law on Payment Services the Bank is liable for execution of a payment where the Customer is a payer and a consumer subject to the interpretation provided in the Consumer Rights Protection Law, then the Bank shall immediately compensate the Customer for the amount of the unexecuted or erroneously executed payment or restore the balance of the bank account from which the respective sum was debited to the condition that would have been if the erroneous payment had not been made. However, in any situation, the Bank upon Customer's request shall try immediately to track down the payment and inform the Customer of the result.
- 14.6. The Bank shall compensate the Customer who is a payer but not a consumer subject to the interpretation provided in the Consumer Rights Protection Law for the amount of the unexecuted or erroneously executed payment or restore the balance of the bank account from which the respective sum was debited to the condition that would have been if the erroneous payment had not been made only if the respective sum was returned to the Bank, provided that the Bank has not acted with a deliberate malicious intent or gross negligence.
- 14.7. If according to the regulatory enactments the Bank is liable for execution of a payment of the Customer who is a beneficiary and a consumer subject to the interpretation provided in the Consumer Rights Protection Law, the amount of the payment shall become available to the Customer-beneficiary immediately after it has been credited to the account at the Bank.
- 14.8. If the Customer immediately after finding out about any unauthorized or erroneously executed payment informs the Bank of it by following the procedure laid down in paragraph 8.1 herein, but not later than within one month, if the Customer is not a consumer subject to the interpretation provided in the Consumer Rights Protection Law, and not later than within 13 months after debiting the account, if the Customer is a consumer subject to the interpretation provided in the Consumer Rights Protection Law, then, based on paragraphs 15.8 and 15.9 of these Regulations, the Bank shall immediately compensate the Customer for the loss by repaying the amount of the unauthorized payment or by restoring the balance of the Customer's bank account from which the respective sum was debited to the condition that was prior to the execution of the unauthorized payment.

15. Liability of the Customer

- 15.1. In addition to the Customer's obligation set out in these Regulations, the Customer shall also assume liability according to the set forth below.
- 15.2. The Customer shall be liable for completeness and truthfulness of all the information provided in orders, as well as for lawfulness of all transactions performed.
- 15.3. The Bank may seize the Customer's property which has come into legitimate possession of the Bank for as long as it may be necessary to ensure fulfilment of Customer's obligations to the Bank.
- 15.4. The Bank shall have the right to use any Customer's claim to the Bank for the purpose of setting off any claims raised by any Party without prior agreement with the Customer.
- 15.5. The Bank may charge commission according to the Bank's Price List for a Customer's account that has been idle for one year or longer.
- 15.6. The Customer shall be liable for any losses resulted from the Customer's failure to notify the Bank timely of any changes in the name, status, address, representation

or signing rights or any other aspects that are of material importance for mutual relationship between the Parties. Similarly, the Customer shall be liable for any losses caused to the Customer or to the Bank due to the lack of legal capacity of the Customer, Customer's representatives or third parties, unless the Bank was accordingly notified thereof in advance.

- 15.7. If the Customer has given an order to make a conversion transaction with a completion date different from the order issuing date, the Customer shall be obliged upon request of the Bank to ensure a minimum balance of the account up to 10% of the conversion transaction amount (the Bank shall determine the volume of guarantee in its discretion). Such minimum account balance shall be considered as guarantee for fulfilment of Customer's obligations assumed under the conversion transaction.
- Before fulfilment of a conversion transaction, the Bank shall have the right to request from the Customer to increase the minimum balance of the account. Should the Customer fail to comply with such request of the Bank, the Bank shall have the right to unilaterally withdraw and terminate the agreement on conversion transaction. If the Bank incurs any losses due to non-fulfilment of a conversion transaction, the Bank shall have the right to cover such losses by deducting unilaterally the due amount from the Customer's guarantee funds. If the guarantee funds are not sufficient to cover such losses, the Bank shall have the right to deduct the due amount from any account of the Customer with the Bank.
- 15.8. The Customer shall not have the right to compensation for losses up to 150 euros, if such losses incurred in connection with unauthorized payments due to the loss or theft of the payment instrument received by the Customer or other form of unlawful embezzlement, or if the Customer has not provided safe keeping of personalized security elements and thus allowed unlawful embezzlement of the payment instrument received by the Customer.
- 15.9. The Customer shall not have the right to compensation and the Bank shall not refund to the Customer such losses that incurred in connection with unauthorized payments, if the Customer or payer has acted unlawfully or with intent (deliberately), or through gross negligence has not fulfilled any of the following responsibilities:
- 15.9.1. using of payment instruments in accordance with the rules governing the issue and use of payment instrument (including compliance with the provisions of Sections 6 and 7 of these Regulations);
- 15.9.2. immediate notification of the Bank and its indicated authority as soon as it becomes apparent that a payment instrument has been lost, stolen or otherwise misappropriated, or that its unauthorized use has taken place;
- 15.9.3. taking measures that are necessary to keep safe the personalized security elements of a payment instrument.

16. Acceptance-free write-off

- 16.1. If the Bank as the payer after acceptance of a payment order transfers the funds to the Customer's account based on the indicated account number and subsequently states that the wrong account number was indicated and the funds were intended for another recipient, the Bank shall have the right to undisputable and acceptance-free write off from the Customer's account of the erroneously credited amounts.
- 16.2. The Bank shall have the right to acceptance-free write off of any amounts from any Customer's accounts without giving prior notice to the Customer for the purpose of repayment of any Bank's claims to the Customer as well as in other cases provided for by the regulatory enactments of the Republic of Latvia.
- 16.3. Taking into account that the Customer is aware that pursuant to the regulatory enactments of the Republic of Latvia the funds may also be transferred to the account based on the recipient's account number only, and if the Bank is not the payer, the Customer shall have the right to ask the Bank to recover the funds transferred by mistake, however, the Bank shall not be obliged to perform such recovery, and in either case the Bank shall not be liable for non-recovery of any such amounts.

17. Unilateral termination of the agreement, discontinuation of services, account closing

- 17.1. The Bank may unilaterally withdraw from a mutual agreement made by the Parties (i.e., discontinue provision of any banking services) without indemnifying for any losses sustained by the Customer if the Customer has provided incorrect and/or incomplete information about the Customer's property status or upon the Bank's reasonable request the Customer has failed to provide or increase the guarantee under the terms and conditions set by the Bank, or the Customer or the Customer's authorised person does not comply with the terms and conditions of the agreement and/or the terms and conditions of service provision and instructions of the Bank. The Bank shall have the right to unilaterally withdraw from a mutual agreement of the Parties in other cases specified in that particular agreement or other agreements between the Parties, if the Customer otherwise fails to comply with the obligations assumed with respect to the Bank.
- 17.2. The Bank shall notify the Customer of any such withdrawal (Sub-clause 17.1). The Bank shall have the right to close the Account within 30 (thirty) days following the date of such notification. This clause shall not apply under the circumstances referred to in Sub-clause 17.3, as well as in the event if otherwise is stated in the specific agreement between the Parties.
- 17.3. The Bank may unilaterally and without prior notice withdraw from the Agreement between the Parties and disrupt business relations with the Customer thereto, requiring, where necessary, from the Customer pre-term fulfilment of all obligations in the cases set forth below:
- 1) If the Customer or the Customer's authorised person fails to satisfy the Bank's request to submit data and information regarding Customer's business operations, personal activity, third parties, actual beneficiaries, financial standing and sources of funds or the data submitted do not satisfy the request of the Bank.
 - 2) If the Customer's account is closed pursuant to the applicable legislation or decisions of the authorities, supervising the Bank's activity, or pursuant to orders, requirements, and instructions of other competent authorities.
 - 3) If the Bank has notified the Customer thereof at least two months in advance (unless otherwise provided in the specific Agreement concluded with the Customer)

- 17.4. If the circumstances mentioned in Sub-clause 17.2 come into effect, the Bank shall close Customer's accounts notifying the Customer thereof. Under such circumstances the Customer may receive his/her funds from the account solely following the regulatory enactments in force or regulations of competent authorities, if any such exist.
 - 17.5. If the Bank becomes aware of any Customer's action which may result in negative impact on the reputation of the Bank, the Bank shall have the right to unilaterally withdraw from the agreement concluded and close the Customer's account
 - 17.6. The Bank shall have the right to unilaterally withdraw from the agreement made by the Parties (i.e., discontinue provision of any banking services) if the Bank has reasonable grounds to suppose that via the electronic means of communication (i.e., Internet, modem and telephone, as well as software support) an unauthorised person has had access to Bank services.
 - 17.7. The Bank shall have the right to unilaterally withdraw from the agreement made by the Parties (i.e., discontinue provision of any banking services) if the Bank has reasonable grounds to suppose that the Customer uses Bank services on behalf of a third party which is not identified in accordance with these Regulations.
 - 17.8. The Bank shall have the right to unilaterally discontinue provision of banking services and close the Customer's account without serving prior notice to the Customer if the following occur:
 - 1) The Customer's account has been idle for a period of one year or longer;
 - 2) In exercising the Bank's right to charge a fee according to Sub-clause 15.5 herein, the Customer's account appears to have a zero balance.
 - 3) If the Bank has notified the Customer thereof at least two months in advance (unless otherwise provided in the specific Agreement concluded with the Customer).
 - 17.9. Unless any other procedure has been provided for by the agreement made between the Parties, the Customer may refuse to use Bank services notifying the Bank thereof 10 (ten) days prior to that takes effect.
 - 17.10. The Account shall be closed and the balance calculated within 10 (ten) banking days (unless otherwise provided) upon the receipt of a written request from the Customer to close the Account and provided that the Customer has settled all appropriate charges with respect to account closing pursuant to the Price List of the Bank. For the period up to the account closing, the Bank shall continue to accrue interest on the account balance at the rate specified in the effective Price List. However, at all events, the account can be closed only after the Customer fulfils all obligations to the Bank, closes all other accounts, which were necessarily opened to receive Bank services.
 - 17.11. Upon account closing, the Bank shall pay to the Customer the remainder of funds and interest accrued thereof according to the provisions of these Regulations, including the provisions of Clause 10 and Sub-clause 17.4 herein. After the closing of an account, the Bank shall keep the documents submitted to the Bank for opening and maintaining the account.
 - 17.12. After the termination of contractual relations, any claims that the Bank and the Customer may have one to another shall be governed by these Regulations and the Bank's Price List effective on the date of such termination. The Customer shall have the obligation to acquit the Bank from all the obligations, assumed by it for the purpose of acting upon the Customer's orders, and ensure sufficient guarantee until then.
- 18. Amendments and supplements**
- 18.1. The Bank shall have the right to unilaterally amend and supplement these Regulations and the Bank's Price List. The Bank shall notify of any such amendments or supplements by making the respective information available in the Bank premises and on the Bank's Internet page. The Customer may get acquainted with the Bank Regulations, Bank's Price List or any other regulations in the Bank premises during its working hours or in the Bank's Internet page at: www.tkb.lv, or by making a call to the Infocentre of the Bank.
 - 18.2. Amendments to the Bank's Price List and the Regulations (i.e. new edition of the Regulations and Bank's Price List) shall take effect on the date specified in the said documents.
 - 18.2.1. Concerning amendments to the Regulations and the Bank's Price List on rendering of payment services to existing Customers, the new edition shall take effect two months after the information is placed in the Bank's customer service premises and on the Bank's website, except where these Regulations or applicable normative acts provide otherwise.
 - 18.2.2. As regards other amendments to the Regulations or the Bank's Price List for existing Customers, the new edition shall take effect on the date specified in the said documents. If the Customer after the specified date continues to use Bank services (has not abandoned them), it shall be considered that the Customer has consented to the amendments. If the Customer does not agree to amendments of the Regulations, he/she can unilaterally withdraw from the Agreement (if other procedure is not stipulated in the Agreement) notifying the Bank thereof. In this case the Customer and the Bank shall act in accordance with Paragraphs 17.9 and 17.10 of these Regulations.
 - 18.2.3. Changes to the reference interest rate or reference exchange rate provided in the Bank's Price List shall apply immediately without prior notification.
- 19. Governing law and jurisdiction**
- 19.1. The legal relations between the Customer and the Bank shall be governed by the Law on Payment Services and other applicable effective regulatory enactments of the Republic of Latvia. The Bank premises shall be regarded as the location at which Bank services are provided. Any dispute, disagreement or claim between the Bank and the Customer shall be resolved through negotiations.
 - 19.2. If the Parties cannot reach an agreement through negotiations, the dispute shall be referred to and finally settled by the Riga Court of Arbitration of the Association of Latvian Commercial Banks in accordance with its Charter, Rules, and Regulation on Expenses of the Court of Arbitration of the Latvian Association of Commercial Banks. The provisions of the said documents shall be deemed incorporated in this clause. The language of the court proceedings shall be Latvian. The subject matter of the dispute referred to the Court of Arbitration may be as follows: any disagreement or claim regarding property or intangible assets arising out of the Agreement, including disagreement or claim regarding fulfilment of the Agreement, payment of penalties, compensation for losses, and any other disagreements or claims regarding the Agreement, amendments to the Agreement, or breaches, termination, legality, validity or interpretation of the Agreement.
 - 19.3. The Bank and the Customer may agree on any other venue of execution and dispute consideration and any other governing law. However, irrespective of the foregoing, the Bank shall have the right to file a claim against the Customer with any other court authority according to legislation.
 - 19.4. If according to effective applicable regulatory enactments the Customer is deemed to be a consumer, any dispute arising between the Customer and the Bank (unless the specific Agreement stipulates otherwise) shall be referred to the court of the Republic of Latvia depending on the location of the Bank pursuant to effective legislation of the Republic of Latvia.
 - 19.5. The Consumer Rights Protection Centre in accordance with regulatory enactments considers complaints of payment services users, who are consumers subject to the interpretation provided in the Consumer Rights Protection Law, about non-compliance with effective regulatory enactments in regard to rights and obligations of payment services providers and payment services users and/or payment authorization, and/or receipt and execution of payment orders, and/or the time of payment execution and the value date, and/or the liability of payment services providers, if it has caused or may have caused a material damage to interests of a consumer group (collective consumer interests). If it does not follow from the filed complaint and attached materials that there was a breach that has caused or may have caused a material damage to interests of a consumer group (collective consumer interests), the Consumer Rights Protection Centre is entitled not to initiate an administrative case. In this case the Consumer Rights Protection Centre sends a reply to the payment services user.
 - 19.6. The Financial and Capital Market Commission in accordance with regulatory enactments considers complaints of payment services users, who are not consumers subject to the interpretation provided in the Consumer Rights Protection Law, about non-compliance with effective regulatory enactments by payment services providers or about rights and obligations of payment services users and/or payment authorization, and/or receipt and execution of payment orders, and/or the time of payment execution and the value date, and/or the liability of payment services providers, if it has caused or may have caused a material damage to interests of a consumer group (collective consumer interests). If it does not follow from the filed complaint and attached materials that there was a breach that has caused or may have caused a material damage to interests of a consumer group (collective consumer interests), the Commission is entitled not to initiate an administrative case. In this case the Commission sends a reply to the payment services user.
- 20. Successors of rights**
- In the event of decease or legal capacity loss of a natural person, the right to dispose the Customer's funds pursuant to the effective legislation shall have the assignee, trustee or custodian, or the successor, whose right to succeed is confirmed according to the acting regulatory enactments. The Bank shall not be liable if a document certifying a person's right is subsequently questioned or cancelled.
- In the event of a legal person's liquidation or reorganisation, the right to dispose the Customer's funds shall be granted to a legal successor or assignee that can prove its status before the Bank presenting relevant documents prepared in accordance with the applicable regulatory enactments.
- 21. Receipt of information**
- A Customer who is a consumer according to the interpretation provided in the Consumer Rights Protection Law is entitled to receive, upon request, information concerning these Regulations as well as the following information and regulations in paper format or using other permanent information medium:
- 1) Name of the Bank, legal address, e-mail address and other addresses that are used for communication with the payment services provider, and legal address in Latvia of the payment services provider's representative or a subsidiary if payment services are provided through mediation of a representative or subsidiary,
 - 2) on the use of payment services,
 - 3) on payments, interest rates and currency exchange rates,
 - 4) on means of communication,
 - 5) on security measures,
 - 6) on amendments to the regulations and expiration thereof,
 - 7) on consideration of complaints and compensation for losses.

I have read the regulations and undertake to comply with them.

Date: _____

Customer: _____
 (company name or name, surname)

 (signature and printed name)