

## CREDIT LIMIT GRANTING AND SERVICING AGREEMENT GENERAL TERMS AND CONDITIONS

### 1. GENERAL CONDITIONS

#### 1.1. Terms used

**Account** – an Account opened with the Bank for making Payments, the Customer may obtain a Credit facility for a remuneration stipulated by the Agreement (Credit interest, other interests, commission charges etc.) for making Payments within the Credit limit set out in the Agreement.

**Agreement** – Card Agreement and Credit limit granting and servicing Agreement concluded between the Bank and the Customer, with these Terms and Conditions forming an integral part of it, together (if these Agreements have been concluded separately) or Card Agreement with these Terms and Conditions being an integral part of it, provided the Card Agreement determines a Credit limit greater than zero (0). The Credit limit Granting and Servicing Agreement, with these Terms and Conditions being an integral part of it, concluded if the Customer wants to obtain a Credit limit pursuant to Card Agreement for the opened account, while the respective Card Agreement does not determine Credit limit (or the Credit Limit is equal to zero (0)).

**Allowed Debit Balance** – the amount of the Account Debit balance, not exceeding the Credit limit, at the end of a particular day.

**Available balance** – funds held on the Account consisting of the Positive balance and Credit limit, used for making Payments.

**Bank** – the joint stock company "Rietumu Banka", unified registration number 40003074497.

**Card** – international credit card MasterCard or Visa credit card issued by the Bank linked to the Account and delivered to the Customer or Card user for making Payments.

**Card Agreement** – Agreement on issuing and servicing Payment card concluded between the Bank and the Customer.

**Card Security** – additional security (financial or real security) provided by the Customer and/or a third party for the execution of the Customer's obligations required by the Bank.

**Credit Facility** – a short-term money loan granted by the Bank to Customer, which can be used by the Customer for making Payments exceeding the Positive Account balance, within the Credit limit defined by the Agreement. Credit amount used by the Customer for a respective Payment is reflected in the Account as a Debit account balance.

**Credit Interest** – interest on the used Credit in line with Service Fee tariffs; calculated for Allowed Debit balance, if in the Agreement the Parties have agreed on Standard Credit or Credit line. Credit interest rate effective at the moment of signing the Agreement is indicated in the Agreement.

**Credit Limit** – the maximum Credit amount stipulated by the Agreement, which the Bank may grant the Customer for making Payments when there is no Positive balance in the Account. Credit limit is attached to the Account and the Credit cannot be used for Payments from other Customer accounts.

**Credit Line** – an agreement of the parties (within this Agreement) granting the Customer the right to pay off only a determined part of the Credit amount used during the Settlement period instead of the whole Credit amount used, within terms and in the order stipulated by clause 4.3 of these Terms and Conditions. In such case, the Customer must pay off the payments and interest accrued during the

Settlement period in full within terms specified in clause 4.3 of these Terms and Conditions. The Bank charges interest on the Credit used during the Settlement period. If the Customer has Overdue payments, then the Bank calculates and charges Overdue Payment Penalty in the order stipulated by the Agreement.

**Customer** – private or legal entity, which concluded an agreement with Bank, Owner of the Card Account.

**Debit balance** – account balance reflecting the amount of Customer liabilities to the Bank pursuant to the Agreement after each payment and at the end of each day or account statement period. In Account statements, Debit balance is shown with a minus (-) sign or as a record in the debit side of the Account.

**Default Interest** – interest on Overdue payments, if the Customer has Overdue payments for Interest-free Credit.

**Interest-free Credit** – according to the Agreement concluded by the Parties and obliging the Customer to pay off the entire amount of the Credit used by the end of the Settlement period in the order and manner stipulated by clause 4.3 of this Terms and Conditions, while the Bank will not charge any interest for the Credit used during the month. If Customer has Overdue payments, the Bank calculates and charges Default interest in the order and manner stipulated by the Agreement.

**Interest on UNB** – Interest on Unauthorised negative balance in line with Service Fee tariffs; calculated on Unauthorised negative balance.

**Overdue payments** – payments, which Customer had to pay in line with this Agreement and which he failed to pay in due time.

**Parties** – the Bank and the Customer together.

**Payment** – paying for goods or services with the Card, cash withdrawal at ATMs or in banks, as well as monetary transfers from the Account pursuant to Customer orders and payment of Bank commission charges and interest stipulated by the Agreement and Service Fee tariffs.

**Positive balance** – Account credit balance – Customer monetary funds that are recorded in credit side of the Account or with a plus (+) sign.

**Service Fee tariffs** – the Bank's Service Fee tariffs in effect.

**Settlement period** – stipulated by the Agreement time period for implementing settlements

**Standard Credit** – an agreement of the parties (within this Agreement) obliging the Customer to pay off the entire Credit amount used during the Settlement period within terms and in the order stipulated by clause 4.3 of these Terms and Conditions. The Bank charges interest on the Credit used during the Settlement period. If the Customer has Overdue payments, then the Bank calculates and charges Overdue Payment Penalty in the order stipulated by the Agreement.

**Terms and Conditions** – effective General Terms and Conditions of the Credit Limit Granting and Servicing Agreement, approved by the Bank.

**Unauthorised negative balance** – exceeded Credit Limit or Overdraft on the Account, at the end of a certain day.

#### 1.2. Application of Terms and Conditions

These Terms and Conditions form an integral part of the Agreement and govern the legal relations between the Customer and the Bank pertaining to Credit limit granting and servicing, Credit repayment

procedure, Credit interest, settlements and other interest payments, as well as other issues related to it.

The Bank General Terms and Conditions and/or other internal Documents of the Bank and/or laws and regulations of the Republic of Latvia govern legal relations between the Bank and the Customer, not stipulated by this Agreement.

Information about amendments and alterations to the Terms and Conditions and Service Fee tariffs in effect is available on the Bank's premises during business hours as well as on the Bank's website [www.rietumu.lv](http://www.rietumu.lv) ([www.rietumu.com](http://www.rietumu.com)).

### **1.3. Amendments to Terms & Conditions and Service Fee tariffs**

The Bank may unilaterally amend these Terms and Conditions, other internal documents and regulations, as well as amend and supplement the Bank's Service Fee tariffs, including credit interest rate. The Bank undertakes to notify the Customer of the changes at least thirty (30) calendar days before the changes take effect, by placing information on the Bank's premises or by posting it on the Bank's website [www.rietumu.lv](http://www.rietumu.lv) ([www.rietumu.com](http://www.rietumu.com)).

The Customer is entitled and liable for regularly reviewing these Terms and Conditions and Service Fee tariffs.

The Customer is deemed to have accepted the changes, if the Customer by the date the changes take effect fails to submit a written notification on the Agreement termination pursuant to clause 9.2 of these Terms and Conditions.

In case of Security change, the Bank may unilaterally change the Credit Interest rate set in this Agreement into standard Credit Interest rate specified in the Service Fee tariffs.

## **2. CREDIT LIMIT GRANTING**

In line with these Terms and Conditions the Bank provides the possibility for the Customer to obtain a Credit facility for making Payments within the Credit limit stipulated by the Agreement. The Customer repays the Bank the Credit used for Payments and Credit Interest as well as other payments pursuant to these Terms and Conditions, in volume and in the order stipulated by this Agreement.

The Customer may obtain a Credit facility provided the Agreement stipulates a Credit limit greater than zero (0).

The Bank grants the Customer the right to use the Credit facility within one (1) business day provided the following conditions have been met:

The Customer has delivered Security documents requested by the Bank and, pursuant to the Bank requirements, the Customer has taken the actions required for processing the Security in the order established by applicable laws and regulations of the Republic of Latvia;

The Bank and the Customer have concluded the Agreement, which has come in force.

The Credit limit is deemed as granted starting from the date when the Bank has increased the Available balance by the amount of the Credit limit.

The Bank may refuse to grant Credit limit to Customer, if the Bank receives oral or written information, documents, and/or any other confirmation in the Bank's opinion constituting sufficient grounds for refusal of Credit limit granting.

If the Bank refuses to grant Credit limit to the Customer, the delivered documents will not be returned.

## **3. INTEREST AND PAYMENTS CALCULATION AND CHARGING**

The Customer pays the Bank Credit Interest in the amount and order stipulated by the Agreement. The Bank calculates Credit Interest at the end of each day, and charges it to the Account on the last day of each month. For calculation of Credit Interest, it is determined that there are 360 days in a year, and actual number of days in a month.

The Customer pays the Bank UNB interest in the amount and order

stipulated by the Agreement. The Bank calculates UNB at the end of each day, and charges it to the Account on the last day of each month. For calculation of UNB interest, it is determined that there are 360 days in a year, and actual number of days in a month.

The Customer pays the Bank Default Interest in the amount and order stipulated by the Agreement, if the Customer fails to adhere to Credit repayment procedure set out in clause 4.3 of these Terms and Conditions. The Bank calculates Default Interest from the date, when Customer has overdue, until the date when the Customer fully repays the Credit. The Bank calculates Default Interest for the Allowed Debit balance at the end of each day, and charges it to the Account on the last day of certain Settlement period. For calculation of Default interest, it is determined that there are 360 days in a year, and actual number of days in a month. For Unauthorised debit balance and outstanding payments of Unauthorised debit balance, the Bank calculates and charges Interest on UNB in line with clause 3.2 of these Terms and Conditions.

Payments specified in clauses 3.1, 3.2 and 3.3 of these Terms and Conditions (depending on the Credit type) are withheld from the Account even when the Account does not have a Positive balance. If the Account has insufficient Positive balance, a respective Debit balance is recorded for the Account. If there is Allowed Debit balance on the Account, then the Customer is deemed to have made the respective payment availing of Credit facility. If the Account has already Unauthorised negative balance or it will accrue upon withholding the respective charge by the Bank at the moment of deducting the above costs, the Customer is deemed to have permitted accrual or increase of Unauthorised negative balance.

The Customer is obliged to make timely Account transfers and deposits to prevent accruing Unauthorised negative balance.

## **4. CREDIT DISBURSEMENT AND REPAYMENT PROCEDURE**

The Customer obtains a Credit at the moment when for making a Payment he uses monetary funds within Credit limit, thus exceeding Positive account balance.

Bank card account statement reflects transaction history for a certain period, including implemented payments, account balance at the beginning and at the end of the period, and the granted Credit limit. The Bank provides Card account statements to the Customer in the order stipulated by the Agreement, and it serves as a proof of Credit disbursement. Card account statements prove the presence of obligations stemming from the Agreement and implemented account transactions with monetary funds.

The Customer repays the used Credit amount by the end of each month following the Settlement period, by placing cash funds, in the amount not less than the one indicated in the Agreement. The Customer is obliged to repay the Unauthorised negative balance in full within the mentioned period by placing respective amount of cash funds on the Card Account. Upon Agreement expiration as well as in case the Bank terminates the Agreement, the Customer must pay off the amount of the used Credit as well as place funds on the Card Account for repaying Debit balance, accrued Credit Interest, Interest on UNB, Overdue Payment Penalties or any other charges stipulated by the Agreement on the date of Agreement expiration or, if the Bank unilaterally terminates the Agreement, within period stated by the Bank.

During the Agreement validity term, when using the Credit and repaying it, the Customer has the right to use it repeatedly within the Credit limit, observing repayment order, stipulated by clause 4.3 of these Terms and Conditions.

The Credit is considered to be repaid in full as of the moment the Customer pays in full the used Credit amount (it is transferred to or placed on the Card Account) in the order stipulated by the Agreement and discharges all his obligations stemming from the Agreement

including (depending on the Credit type) repayment of Credit Interest, Interest on UNB, Default interest, Overdue Payment Penalties, if such have been calculated by the Bank. If the Credit has been paid off in full, there is no Debit balance on the Card Account.

By signing the Agreement, the Customer authorises the Bank, in cases when payment(s), the Customer is supposed to make pursuant to the Agreement, is/are not implemented in full amount and the Bank terminates the Agreement, to transfer outstanding amount to the Account from cash funds held on any other Customer Accounts with the Bank and/or use any other cash funds of the Customer, which are at the Bank's disposal without prior notice and Customer consent and without any court mediation. If the Customer has insufficient funds in the Credit currency, then the Bank at its sole discretion, make the payment using Customer funds in any other currency, applying currency exchange rate of the Bank effective at the conversion moment.

If the Customer has any amounts due, the Bank is entitled to clear such debts using money (including amounts deducted without further authorisation) received from the Customer in the following order:

pay off Default interest and/or Overdue Payment Penalties, if applicable;

pay off Interest on UNB, if applicable;

pay off Credit Interest;

Repay the used Credit amount.

If the Customer has overdue payments for over:

twenty (20) days, then the Bank will forward first warning letter to the Customer;

forty (40) days, then the Bank will forward second warning letter to the Customer;

sixty (60) days, then the Bank has the right to report about the Customer to the Register of Debtors of the Republic of Latvia and, at its sole discretion, refer to state court institution of the Latvian Republic or Court of Arbitration of the Association of Latvian Commercial Banks, in Riga, for protection of the Bank's interests and debt recovery in line with clause 9.3 of these Terms and Conditions.

## **5. SECURITY**

The Security provided by the Customer to the Bank for guaranteeing the discharge of Customer obligations under this Agreement.

## **6. RIGHTS AND OBLIGATIONS OF THE CUSTOMER**

The Customer guarantees and acknowledges that all information delivered to the Bank is true, complete, and accurate, the Customer has not concealed and will not keep secret any circumstance that can negatively impact the Bank's decision regarding Credit limit granting to the Customer, as well as that all information delivered in the future will be complete and true. By signing this Agreement, the Customer confirms that at the date of signature there are no hindering factors preventing the performance of the Agreement or rendering it impossible or difficult, as well as that no claims have been lodged and no legal proceedings have been taken against the Customer.

The Customer is obliged to:

repay the Credit within terms and in the order stipulated by the Agreement (depending on Credit type), pay off Credit interest, Interest on UNB, Default interest, if such have been calculated and applied by the Bank, Overdue Payment Penalties, if such have been calculated and applied by the Bank, as well as any other payments pursuant to the Bank's Service Fee tariffs and the Agreement;

ensure monthly income transfer to the Account during the term of the Agreement or Card Agreement if the Credit limit has been granted on the basis of Customer salary without lodging another Security;

immediately notify the Bank in writing of any changes to the Agreement and deliver respective documents to the Bank within two (2) business days following the date when such changes came in force; cover any financial losses or damages incurred by the Bank due to Customer's failure to meet, or due to Customer's improper execution of, any provisions under this Agreement.

## **7. RIGHTS AND OBLIGATIONS OF THE BANK**

The Bank has the right at its own discretion decrease or cancel Credit limit or terminate the Agreement and request the Customer to repay the Credit prior to the end of the contractual period, as well as pay off (depending on the Credit type) Credit Interest, Interest on UNB, Default interest, if such have been calculated and applied by the Bank, Overdue Payment Penalties, if such have been calculated and applied by the Bank, and other payments in line with the Bank's Service Fee tariffs in effect and the Agreement; or withhold relevant amounts from any Customer account with the Bank in the following cases:

if the Customer failed to discharge his obligations to the Bank within sixty (60) calendar days from the last day of Settlement period when such obligations were incurred;

if the Customer fails to observe any of the Terms and Conditions under this Agreement;

if the Customer has a debt owed to the Bank resulting from any other Agreement concluded between the Customer and the Bank, and such debt has not been repaid despite the Bank's written notification;

if the information delivered by the Customer to the Bank is inaccurate and/or incomplete or the Customer has failed to deliver information requested by the Bank in line with "Credit Institution Law" of the Republic of Latvia and/or any other applicable laws and regulations;

if the Bank obtained oral or written information, documents, proof, and/or any other affirmations about circumstances, in the Bank's opinion, essentially increasing Credit non-repayment risk;

The Bank has the right to disclose to the third parties information about the Customer, the granted Credit limit and Credit disbursement process in cases, manner and terms stipulated by applicable laws and regulations of the Republic of Latvia, without notifying the Customer thereof.

The Bank is entitled to block any Customer property and cash funds that are legally at the Bank's disposal or management as far forth as required for discharging Customer liabilities under the Agreement.

## **8. LIABILITY OF THE PARTIES**

The Customer is responsible for the authenticity and completeness of any information specified in the Agreement and/or provided to the Bank. In the event of delivery of false, outdated and incomplete information, as well as if the Customer fails to notify the Bank of changes within two (2) business days following the date such changes became known, the Customer covers all losses to the Bank incurred as a consequence thereof. The Bank may unilaterally terminate the Agreement in line with clause 7.1 of these Terms and Conditions.

Discharge of Overdue Payment Penalties and/or Default interest and/or Unauthorised negative balance does not exempt the Customer from covering overdue liabilities.

The Customer is liable with all his property, existing and assumed in the future, including movable and immovable property, vehicles, cash funds, securities, stocks and equities of commercial companies, savings, and any other property, so far forth as required for discharge of obligations under this Agreement and reimbursement of expenses including legal expenses incurred by the Bank due to Customer failure to fulfil obligations under this Agreement in full or partially or in due time.

## **9. FINAL PROVISIONS**

The Agreement comes into effect as of the moment it is signed and remains valid until the Parties discharge their obligations.

The Customer may terminate the Agreement at his own discretion having reimbursed to the Bank the used Credit in full in line with clause 4.5 and having delivered Termination Application to the Bank. The Bank and the Customer agree to negotiate a settlement of all disputes, disagreements, and claims connected with Card Agreement or Agreement. Any dispute arising from the Agreement or relating to its violation, amendment, termination, or invalidity, and which the Parties fail to settle by negotiation, will be referred at the claimant's choice either to a Latvian court appropriate to the Bank's location under Latvian legislation or to a single Arbitrator of the Court of Arbitration of the Association of Latvian Commercial Banks in Riga appointed at the joint request of the Parties by the Association's Chairman under its Articles and Regulations and its Costs Regulations. Terms and Conditions of these documents are deemed included in this Agreement. The Language of dispute settlement is Latvian. The dispute may be heard by arbitration without the Parties' mandatory attendance, on the basis of documents submitted. The arbitrator's decision is final, i.e., no appeal is allowed – and is binding on the Parties.

The Agreement may be terminated, altered, extended, and/or supplemented only following mutual consent of the Parties in writing. Any Party is prohibited to terminate, alter, extend, and/or supplement the Agreement unilaterally, unless the Agreement stipulates otherwise.

By signing this Agreement the Parties confirm and acknowledge that they have carefully read, understood and agree to follow the terms and conditions and recognize their rights and obligations under this Agreement.

All rights and obligations stemming from the Agreement pass to the Parties rights and obligations successors (inheritors).