

1. Terms Used in the Terms of Use and Servicing of the Card and Their Explanations

- 1.1. **Account** – the Customer's current account in the Bank, to which the Card is attached.
- 1.2. **Application** – an application in the form approved by the Bank that is completed by the Customer to receive the Service.
- 1.3. **Bank** – JSC "Citadele banka", unified registration No 40103303559, legal address: Republikas laukums 2A, Riga, LV-1010, e-mail: info@citadele.lv, branch of the Bank in the Republic of Estonia – JSC "Citadele banka" Eesti Filiaal, Roosikrantsi 2, Tallinn 10119, Estonia, branch of the Bank in the Kingdom of Sweden – Parex Sverige, filial till AS Citadele banka Lettland, Stureplan 2, 114 35 Stockholm, Konungariket Sverige.
- 1.4. **Bank ATM** (hereinafter referred to as **ATM**) – a device for performing the Transactions using the Card.
- 1.5. **Card** – a payment card of any of the International Payment Card Organisations, which is issued and owned by the Bank, which has been chosen by the Customer within the framework of the Card Product and which is specified in the Application for receipt of the Service.
- 1.6. **Cardholder** – a private individual specified by the Customer who has the right to use the Card.
- 1.7. **Card Product** – any offer of payment cards of the Bank specified in the Pricelist, to which a specific range of services is attached, and one or several Cards of a specific type.
- 1.8. **Credit Limit** – the maximal amount of funds, which the Bank has allowed to spend in excess of the Customer's funds in the Account, thus creating debit (negative) balance in the Account within the limits of the mentioned amount of funds.
- 1.9. **Credit Limit Agreement** – a written agreement between the Bank and the Customer on assignment of the Credit Limit to the Account.
- 1.10. **CSC Code** – a four-digit combination for *American Express*[®] international payment cards issued by the Bank, which is located on the front of the Card on the right above the Card number.
- 1.11. **Customer** – a private individual in whose name the Account is opened.
- 1.12. **CVV2/CVC2 Code** – a three-digit combination for international payment cards issued by the Bank (except for *American Express*[®] international payment cards), which is located on the back of the Card next to a signature sample strip of the Card.
- 1.13. **International Payment Card Organisation** – one or some of the following international organisations – *MasterCard Worldwide*, *Visa International* and *American Express Limited*, which grant the right to issue payment cards and ensure issue and acceptance of payment cards according to the unified standards worldwide.
- 1.14. **Late Payment Interest** – a remuneration expressed as a percentage specified in the Application, which the Customer shall pay, if the Customer has not repaid the Unauthorized Negative Balance until the end of the term stipulated by the Service Agreement.
- 1.15. **Loan** – funds (credit resources) of the Bank, which the Bank allows the Customer to use pursuant to the Credit Limit Agreement.
- 1.16. **Merchant** – an entrepreneur that accepts the Card as a means of payment for goods and services.
- 1.17. **Parties** – the Customer and the Bank.
- 1.18. **Password** – a word specified by the Customer/Cardholder, which he/she uses for authorization by phone in order to receive information about the Account, the Card and transactions performed using the Card, as well as to suspend validity of the Card (block the Card).
- 1.19. **Penalty Interest** – a penalty, which the Customer pays to the Bank for the Unauthorized Negative Balance pursuant to the Service Agreement, the amount of which is specified in the Application and the Pricelist.
- 1.20. **PIN Code** – a personal identification number known only to the Cardholder used for his/her identification when executing the Transactions using the Card.
- 1.21. **Pricelist** – an effective pricelist for products and services of the Bank.
- 1.22. **Security Code** – a set of data, which is based on the Customer/Cardholder's data for authorisation in the online banking system of the Bank and which ensures additional protection for the Transactions performed in the internet.
- 1.23. **Security Deposit** – the Customer's or third party's funds placed as a term deposit or special deposit in the Bank, which are used as financial collateral to guarantee fulfilment of the Customer's obligations before the Bank, which are stipulated in the Service Agreement and/or the Credit Limit Agreement (if such is concluded).
- 1.24. **Service** – issuing of the Card to the Cardholder and servicing thereof, as well as other services of the Bank related to use of the Card.

1.25. **Service Agreement** – an agreement between the Bank and the Customer on receiving the Service, which integral parts are the Application and Terms of Service.

1.26. **Spending Limit** – limitations of the amount of funds available to the Cardholder using the Card, including limitations of a number and/or amount of the Transactions per day/month.

1.27. **Terms of Service** – these Terms.

1.28. **Transaction** – all transactions that can be performed using the Card as well as information of the Card.

1.29. **Unauthorized Negative Balance** – the whole amount of the debit (negative) balance of the Account, if the Account does not have the Credit Limit. The Unauthorized Negative Balance can occur, if the Bank withholds payments related to rendering of the Service and/or concluding the Transaction, and which is due to the Bank pursuant to the Service Agreement and/or the Pricelist, if there are no sufficient funds of the Customer on the Account.

1.30. **Virtual Card** – a set of data, which is equal to the data of a plastic Card issued by the Bank, which is transferred to the Cardholder for performing the Transactions without using the plastic Card. This term is not applicable to International Payment Cards Organisation's *American Express Limited* payment cards.

2. General Provisions

2.1. The Terms of Service govern legal relations between the Customer and the Bank related to issuance, use and servicing of the Card. Using the Card, the Customer/Cardholder can pay for goods and services, withdraw cash from the ATMs and in banks, make cash deposit in the ATMs of the Bank, pay bills in the ATMs of the Bank, unblock or change the PIN Code in the ATMs of the Bank.

2.2. By signing the Application the Customer certifies that:

2.2.1. the Customer/Cardholder will not use the Card or Service for illegal purposes, including laundering of proceeds derived from crime;

2.2.2. the Card will be used in the Customer's and/or Cardholder's interests and it will not be used upon commission of a third party in order to avoid disclosure of the identity of this person;

2.2.3. the Application is signed, expressing the Customer's free will, the Bank has provided the Customer with complete and exhaustive information about the Service, the content, meaning and consequences of the Terms of Service have been discussed, including the procedure for examination of disputes, the Customer acknowledges the Service Agreement as fair, mutually beneficial, voluntarily signs the Application without delusion and deceit, and undertakes to fulfil the Service Agreement;

2.2.4. he/she has read the Terms of Service, agrees with them and undertakes to observe them, as well as to ensure that the Cardholder reads them and observes them;

2.2.5. understands the risks related to use of the Service;

2.2.6. The Customer agrees that the Bank records telephone conversations between the Bank and the Customer and in case of disputes an audio record may be used as evidence.

2.3. If the Application has been submitted to the Bank using a remote account management service (for example, Citadele Online Banking):

2.3.1. the Customer certifies that the Bank has submitted to him/her and he/she has read the information stipulated by the effective regulatory enactments of the Republic of Latvia related to remote agreements, that is, agreements that are concluded using remote account management services, including information about the Bank as a service provider and procedure for execution of the service;

2.3.2. communication between the Bank and the Customer takes place in the English or another language as agreed by the Parties (Latvian or Russian).

2.4. Use of the Card and PIN Code, use and servicing of the CSC Code, CVV2/CVC2 Code or Security Code, receiving, use and servicing of the Account and Card are governed by the Service Agreement, General Terms of Business of the Bank, regulatory documents approved by the International Payment Card Organisations (depending on the type of the Card) and the effective regulatory enactments of the Republic of Latvia.

2.5. The terms used in the Terms of Service refer both to single and plural forms. The titles of sections are only provided to improve readability and shall not be used to interpret the content.

2.6. The Customer/Cardholder is entitled to request the Bank to change the Password.

2.7. Within the period of validity of the Service Agreement, upon the Customer's request, the Bank sends the Terms of Service to the Customer in a paper form or using another permanent data carrier.

2.8. The Financial and Capital Market Commission is the institution, which supervises the Bank and which has issued an operating license to the Bank.

2.9. Supervision of consumer rights protection with regard to the users of Services who can be regarded as consumers under Consumer Rights Protection Law is carried out by the Consumer Rights Protection Centre, situated at Krisjana Valdemara iela 157, Riga, LV-1013, e-mail: ptac@ptac.gov.lv.

3. Conclusion of the Service Agreement

3.1. The Service Agreement is concluded on the grounds of the Customer's Application.

3.2. The Bank is entitled not to accept the Customer's Application and/or not to issue the Card without explaining reasons of refusal.

3.3. The Bank issues the Card and PIN Code to the Customer/the Cardholder in a special envelope in the order chosen and specified by the Customer in the Application. If the Card is the Virtual Card, information about the Card number and validity as well as information on the CVC2/CVV2 Code is rendered to the Customer/the Cardholder.

3.4. If the Customer chooses to receive the Card and PIN Code by mail, the Customer acknowledges and is responsible for the risks, related to the safety and the terms of receiving the postal deliveries.

3.5. The Service Agreement is considered concluded from the moment when the Customer has an opportunity to start performing the Transactions.

4. Use and Servicing of the Card

4.1. Use of the Card

4.1.1. One basic Card is attached to each Account and one or several supplementary Cards can be attached additionally, excluding the case, when the Card Product includes several basic Cards of different International Payment Card Organisations, which are attached to one Account. Upon the Customer's instruction a basic Card or a supplementary Card is issued to the Cardholder.

4.1.2. The Card is a plastic card with a magnetic stripe/chip. The following information is specified on the Card: type of the Card, Card number, term of validity of the Card, Cardholder's name and surname (excluding the Cards, on which such information is not specified according to rules of the International Payment Card Organisations). If the Card is the Virtual Card, it is not issued as an object, because it exists virtually as a set of data containing the Card information.

4.1.3. The Card is valid until the last day of the month of the year specified on it or determined for the Virtual Card (inclusive).

4.1.4. When the term of validity of the Card expires, a new Card is produced, unless the Customer has instructed otherwise 30 (thirty) business days before the end of the term of validity of the Card. An annual or monthly fee specified in the Pricelist is withheld from the Account. If the Customer has not collected the Card within 3 (three) months and has not started performing the Transactions, the Bank is entitled to cancel it without reimbursing to the Customer the commission fees withheld in accordance with this Article, as well as to terminate the Service Agreement if there are no other active Cards according to this Service Agreement.

4.2. Transactions Performed Using the Card

4.2.1. If the Card is the Virtual Card, the Cardholder can perform the Transactions with the Card on the internet.

4.2.2. Using the Card that is intended only for cash withdrawal, the Cardholder can pay in or withdraw cash from the ATMs of the Bank as well as withdraw cash in banks.

4.2.3. If the Card is the Card of other type, i.e. such Card that is not specified in Article 4.2.1 and 4.2.2, the Cardholder can perform the Transactions with the Card on the internet, pay in or withdraw cash from the ATMs of the Bank and withdraw cash from the ATMs as well as withdraw cash in banks.

4.3. Identification of the Cardholder and Consent to Perform Transactions

4.3.1. The Card can be used only by the Cardholder.

4.3.2. The Bank assumes that the Cardholder is identified and the Cardholder has given his/her consent to perform the Transaction, if the PIN Code entered in the ATM or Card acceptance device/system corresponds to the data encoded in the magnetic stripe/chip of the Card, or if the signature on the document attesting the Transaction is analogous to the Cardholder's signature on the Card signature sample strip and/or Application and/or copy of the document attesting identity submitted to the Bank, or in case of

the Transaction, for which entering of the CSC Code or CVV2/CVC2 Code is requested, the entered CSC Code or CVV2/CVC2 Code coincides with the data encoded in the authorisation software of the Bank, or if the Transaction has been additionally confirmed by the Security Code. The Parties consider that the PIN Code or CSC Code, CVV2/CVC2 Code or Security Code, respectively, is the Cardholder's personal signature used to approve the respective Transactions performed using the Card, imposing liabilities on the Customer in accordance with the effective regulatory enactments of the Republic of Latvia.

4.3.3. As of the moment when the Cardholder has given his/her consent to perform the Transaction, the Cardholder is not allowed to revoke it any more.

4.3.4. The Cardholder's consent to perform the Transaction can be revoked only in case, if the Bank has additionally agreed on it with the Customer/Cardholder. Such agreement is possible, if the Bank can prevent the fulfilment of an order or return the transferred amount.

4.4. In order to increase safety of the Customer's funds on the Account, the Bank sets the Spending Limit for the Card (for the basic Card and each supplementary Card), about which the Customer can receive information in customer servicing centres of the Bank, in the respective remote account management system or by calling 24-hour information service of the Bank. The Bank can change the Spending Limit on the grounds of the Customer's application. It is an obligation of the Customer to inform the Cardholder about the Spending Limit set for the Card.

4.5. An obligation of the Cardholder is to observe the following requirements for use of the Card:

4.5.1. if the Card is not the Virtual Card or the Card that is intended only for cash withdrawal, to sign the Card on the signature sample strip immediately after receipt of the Card;

4.5.2. to store the Card in the same way as checks and cash and daily check/verify presence of the Card;

4.5.3. to keep the Card away from high temperature, influence of electromagnetic fields and mechanical damage;

4.5.4. to handle the Card, PIN Code, CSC Code or CVV2/CVC2 Code and Card number carefully and thoughtfully, in order to prevent unauthorised persons from using the Card, PIN Code, CSC Code or CVV2/CVC2 Code and Card number, not to put down the PIN Code on the Card or other objects that are kept together with the Card;

4.5.5. not to transfer the Card, Card number and other information with regard to the Card to other persons unless this is done in accordance with the Merchant's trading rules;

4.5.6. to make sure that the Merchant accepts the Card as a means of payment only in the presence of the Cardholder and to present a document attesting identity by request of the Merchant;

4.5.7. not to exceed the Spending Limit and Credit Limit;

4.5.8. to make sure, before signing a document attesting the Transaction or after entering the PIN Code, CSC Code or CVV2/CVC2 Code, that the amount of the Transaction specified in the document attesting the Transaction (including electronic document) corresponds to the actual amount of the Transaction (if the Card is used in card acceptance devices);

4.5.9. to sign a document attesting the Transaction analogically to his/her signature on the Card;

4.5.10. to store the documents attesting the Transaction for at least 6 (six) months;

4.5.11. not to use the Card after the end of the term of validity or when activity of the Card is suspended or stopped due to any reason;

4.5.12. upon request of the Bank, to submit the Card to the Bank immediately;

4.5.13. to submit to the Bank the Cards that are invalid for execution of the Transactions;

4.5.14. if the Card is the Virtual Card, to observe the requirements stipulated in Article 4.5.5, 4.5.7, 4.5.8, 4.5.10 un 4.5.11 of the Terms of Service;

4.5.15. if the Card is the Card that is intended only for cash withdrawal, to observe the requirements stipulated in Article 4.5.2, 4.5.3, 4.5.4, 4.5.5, 4.5.7, 4.5.8, 4.5.10, 4.5.11, 4.5.12 and 4.5.13 of the Terms of Service.

4.6. Actions in Case of Loss of the Card or Illegal Activities with the Card

4.6.1. If the Card is lost or stolen or the Customer/Cardholder has grounds to consider that the PIN/CSC/CVV2/CVC2 Code of the Card has become known to an unauthorised person, the Customer/Cardholder shall:

4.6.1.1. immediately notify the Bank by calling 24-hour information service of the Bank at +371 67010000 (+371 80000123 if the Card is *American Express*® international payment card) and submit the respective application to the Bank within 7 (seven) calendar days;

4.6.1.2. or instruct the Bank to automatically close the Card, if the Customer uses remote account management services, which allow closing the Card;

4.6.1.3. declare theft or loss of the Card in the nearest police office;

4.6.1.4. upon request of the Bank, provide the Bank with the information available to Customer/Cardholder regarding loss/theft of the Card;

4.6.1.5. immediately notify the Bank by calling 24-hour information service of the Bank at +371 67010000 (+371 80000123 if the Card is *American Express*® international payment card) or submit to the Bank the respective application if the lost/stolen Card is found.

4.6.2. Upon receipt of the verbal information stipulated by Article 4.6.1.1 from the Customer/Cardholder, the Bank blocks the specific Card or, if the Customer is unable to specify the Card number or provide other detailed information, blocks all Cards attached to the Account. Upon receipt of the written information stipulated by Article 4.6.1.1 from the Customer/Cardholder, the Bank closes the blocked Card (Cards). In accordance with Article 4.6.1.2, the order received at the Bank is executed automatically.

4.6.3. The Bank issues a new Card to the Cardholder on the grounds of the Customer's application.

4.7. Security Deposit

4.7.1. The Bank is entitled to request the Customer to place the Security Deposit in the amount stipulated by the Bank.

4.7.2. The Security Deposit is considered as financial collateral provided to the Bank.

4.7.3. The minimum term of the Security Deposit is 1 (one) year. During the term of validity of the Service Agreement, the Bank automatically extends the term of the Security Deposit for each subsequent term that is equal to the previous term.

4.7.4. During the term of validity of the Service Agreement, the Security Deposit can only be decreased or withdrawn in full amount upon consent of the Bank and in compliance with requirements of the Bank, on the grounds of the respective application of the Customer. In case of a positive decision of the Bank, the Bank disburses the Security Deposit (a part thereof) to the Customer not earlier than after 40 (forty) calendar days from the day when his/her application was submitted to the Bank. The Bank can make a decision on an earlier term of disbursement of the Security Deposit. The Bank withholds the Customer's outstanding payments, which shall be disbursed to the Customer in accordance with the Service Agreement, Credit Limit Agreement (if such is concluded) and/or Pricelist, from the amount of the Security Deposit and calculated interest, but the rest of the amount is transferred to the account specified by the Customer.

4.7.5. In case of non-fulfilment of the Customer's obligations the Bank is entitled without prior notice to the Customer to use the Security Deposit and calculated interest unilaterally to make the Customer's outstanding payments resulting from the Service Agreement and Credit Limit Agreement.

4.7.6. The Customer authorises the Bank without the Customer's separate order to use the Security Deposit and calculated interest also to repay other claims of the Bank towards the Customer.

4.8. Before making the Transaction, upon the Customer's request, the Bank provides information on its fulfilment term and fee for the Service, as well as on allocation of this fee.

5. Settlements

5.1. General Settlement Procedure

5.1.1. The Customer authorises the Bank to withdraw funds from the Account without the Customer's separate order, including creation or increase of the debit (negative) balance (Credit amount) of the Account:

5.1.1.1. to pay amounts of the Transactions;

5.1.1.2. to pay a fee for the Transactions and fee for other services of the Bank according to the respective Pricelist valid at the moment of execution of the Transaction simultaneously with making book-keeping entries for the respective Transaction;

5.1.1.3. to make payments, which are not specified in the Pricelist, but which the Bank has to make in order to ensure rendering of the Service;

5.1.1.4. to make other payments to be performed by the Customer/Cardholder that are provided for in the Service Agreement.

5.1.2. If the Cardholder has executed the Transaction with the Card (except for *American Express*® international payment card) in the currency that differs from the currency of the Account, the Bank carries out conversion of the amount of the Transaction into the currency of the Account according to the interbank exchange rate determined by the International Payment Card Organisations and/or exchange rate

determined by the Bank of Latvia determined for the day when the data of the Transaction are received at the Bank. The Customer shall pay the currency exchange mark-up in the amount specified in the Pricelist for change of the amount of the Transaction.

5.1.3. If the Cardholder has executed the Transaction with *American Express*® international payment card in the currency that differs from the currency of the Account, then the following conditions shall be observed:

5.1.3.1. if the Cardholder has executed the Transaction outside Latvia in the currency that is not the currency of the Account, then at first the amount of the Transaction is converted into USD within *American Express Limited* and then into EUR according to the inter-bank currency exchange rate determined by *American Express Limited*, and then the amount of the Transaction in EUR is converted into the currency of the Account according to the currency exchange rate determined by the Bank of Latvia on the respective day when the data of the Transaction are received in the Bank;

5.1.3.2. if the Cardholder has executed the Transaction in Latvia in the currency that is not the currency of the Account, then the amount of the Transaction is converted into the currency of the Account according to the currency exchange rate determined by the Bank of Latvia on the respective day when the data of the Transaction are received at the Bank;

5.1.3.3. if the currency of the Transaction is not the currency of the Account, then the Customer pays the currency exchange fee that is set in the Pricelist of the Bank (in case the Transaction is executed outside Latvia – including 1% fee set by *American Express Limited*).

5.1.4. At the moment of execution of the Transaction for the payment whereof the Bank reserves funds in the Account for the period up to 15 (fifteen) days, if during this period of time the Bank does not receive the data of the Transaction, reservation is cancelled and the funds become available to the Customer.

5.1.5. Book-keeping entries for the Transactions are made not later than on the next day after the data of the Transaction are received at the Bank. If the deferred valuation term is specified for the Card in accordance with the Pricelist, the date of valuation of the Transaction is additionally specified in the book-keeping entry for the Transaction.

5.1.6. If the Customer discovers discrepancies between the Transactions specified in an account statement and the Transactions actually performed by the Customer/Cardholder, he/she shall immediately, but not later than within 45 (forty-five) calendar days from the day when a book-keeping entry is made for the Transaction, notify the Bank about it in writing.

5.1.7. The Customer's obligation to pay for the Transaction arises at the moment of execution of the Transaction.

5.1.8. It is considered that the Cardholder's order to make a payment to the Merchant for the Transaction is submitted on the day when the Transaction is registered on the Account.

5.1.9. The Bank does not reimburse disputed funds to the Customer, if the Customer is identified under the procedure stipulated by these Terms of Service or if the Customer/Cardholder has acted without proper care or illegally when performing the respective Transaction.

5.2. The Customer pays to the Bank the fees for the Service stipulated by the Service Agreement and Pricelist.

5.3. The Customer shall repay the Unauthorized Negative Balance to the Bank immediately after it has occurred and simultaneously the Customer shall pay the Penalty Interest to the Bank (if it is calculated). The amounts, in relation to which book-keeping entries are made with the deferred valuation date, are included into the Unauthorized Negative Balance after occurrence of the valuation date. If the Customer has not made the payment stipulated by this article till the 15th (fifteenth) date of the next calendar month following the month when the Unauthorized Negative Balance occurred, the Bank calculates the Late Payment Interest for the Unauthorized Negative Balance as of the end of the previous calendar month for each day, starting with the 16th (sixteenth) date till the day (excluding it), when the corresponding amount is paid in, taking into account all amounts that have been paid to the Account till repayment of the Unauthorized Negative Balance, and the Customer shall pay this Late Payment Interest to the Bank. The Penalty Interest payment does not release the Customer from fulfilment of obligations under the Service Agreement.

5.4. The annual/monthly fee for the Card specified in the Pricelist is withdrawn for the first time from the balance of the Account as of the moment when the Customer receives the Card or starts execution of the Transactions. For each next successive year of use of the Card the annual fee is withdrawn from the balance of the Account till the 5th (fifth) date of the first month of the next year of use of the Card. A monthly fee for the

current month of use of the Card is withdrawn from the balance of the Account till the 5th (fifth) date of each calendar month.

5.5. An account statement is issued to the Customer in accordance with the type of communication specified by the Customer. All of the performed Transactions are specified in an account statement, as well as other information regarding transactions in the Account, including interest and penalties in accordance with the Service Agreement and Credit Limit Agreement (if such is concluded). If it is specified in the Application that the Customer wishes to receive an account statement by mail, then the account statement for the previous month is sent to the Customer by mail before the 5th (fifth) date of each month. The Customer pays remuneration to the Bank for sending of the statement in the amount stipulated by the Pricelist.

5.6. If the Customer fails to ensure the funds on the Account sufficient for making payments stipulated by the Service Agreement and/or Credit Limit Agreement in full, the Bank is entitled, but not liable to withdraw the funds necessary to fulfil the obligations under the Service Agreement and/or Credit Limit Agreement from the Security Deposit or any other account of the Customer in the Bank without a separate payment order or order of the Customer, if necessary, converting funds in other currencies on other Customer's accounts into the currency of the Account according to the exchange rate set out by the Bank for non-cash operations at the moment of conversion.

5.7. If it is stipulated in conditions of the respective Card Product that the Card is attached to two Accounts that are opened in different currencies, and the Transaction has been made in any other currency, excluding the currency of the second Account mentioned in the Application, the first Account mentioned in the Application shall be debited. If the Transaction is made in the currency of the second Account mentioned in the Application, the second Account shall be debited. If there are no sufficient funds on the respective Account for execution of the Transaction, then the Account in the different currency shall not be debited.

6. Obligations of the Customer

6.1. The Customer undertakes to:

6.1.1. familiarise the Cardholder with the Terms of Service and amendments thereof, if any;

6.1.2. observe and fulfil the Service Agreement in good faith and to ensure that the Cardholder observes and fulfils the Terms of Service;

6.1.3. ensure execution of his/her obligations under the Service Agreement;

6.1.4. keep track of use of the Card and Account;

6.1.5. ensure that the Card is used by the Cardholder specified in the Application;

6.1.6. immediately make all the payments to the Bank resulting from the Service Agreement and Credit Limit Agreement (if such is concluded), ensuring availability of the respective funds on the Account;

6.1.7. immediately, but not later than within 30 (thirty) calendar days from the day when the respective circumstances come into force, notify the Bank of any changes that concern what is specified in the Service Agreement and other information/documents that are submitted to the Bank (including those regarding change of the declared and/or actual address of place of residence of the Customer, change of name and/or surname of the Customer/Cardholder) by submitting documents attesting the changes. In case of change of name and/or surname of the Customer/Cardholder, a new Card is produced on the grounds of the Customer's application.

6.2. Non-receipt of an account statement does not release the Customer from due execution of the Customer's obligations under the Service Agreement and Credit Limit Agreement (if such is concluded).

7. Submission of Documents and/or Information

7.1. All notices from the Bank and other information is sent to the Customer to the specified or later in writing submitted actual address of place of residence, or communicated using Citadele Online Banking (in accordance with the remote bank service agreement) or submitted to the Customer in person against signature. The Customer agrees that the Bank or legal persons connected with the Bank send to the Customer information on services of the Bank, as well as on goods and services offered by third parties, to the actual address of the Customer or, upon request of the Customer, to the specified e-mail address, unless the Customer has declined to receive said information.

7.2. The Customer agrees that the Bank is entitled to process his/her personal data (including person's identification code), including to request and receive personal data of the Customer from any third parties, including

the State Social Insurance Agency, State Revenue Service, and databases created according to the procedure stipulated by the effective regulatory enactments of the Republic of Latvia, if the Bank deems that it is necessary for establishing legal relationship between the Customer and the Bank, and for ensuring fulfilment of obligations under the Service Agreement. The Customer gives consent to submission of his/her personal data (including person's identification code) to third parties, if the Bank deems that it is necessary for collection of debts from the Customer.

7.3. The Bank provides data on the Customer/Cardholder and Transactions executed by him/her in the cases, amount and under the procedure stipulated by the effective regulatory enactments of the Republic of Latvia. The Bank shall not notify the Customer/Cardholder of submission of the data specified in this article.

7.4. If the Customer has concluded the Service Agreement for receipt of *American Express*[®] international payment card, the Customer agrees that the Bank is entitled to submit information regarding personal data of the Customer/Cardholder, the issued Card and its use to *American Express Limited* and companies associated with *American Express Limited*. *American Express Limited* is entitled to use the information received from the Bank to develop lists that will be available to *American Express Limited* group of companies and its cooperation partners worldwide, in order to make offers to the Customer (by telephone or e-mail) of goods and services in which he/she may be interested. The information used to develop these lists may be obtained from the Application for receipt of the Service, from information on where and how the Card is used, from surveys and researches (which may also involve contacting the Customer/Cardholder by e-mail or telephone) and from information obtained from other external sources, for example, merchants or marketing companies. If the Customer does not wish to receive the respective offers of goods or services, he/she is entitled to decline this service by notifying the Bank in writing.

8. Liability of the Parties

8.1. The Customer is fully responsible for fulfilment of obligations under the Service Agreement, including for the Transactions made using the Cards issued to the Cardholders. The Customer undertakes to cover losses that are inflicted upon the Bank as a result of any Transactions executed using the Cards issued to the Cardholder or other activities with the Card. In this case, the Bank is not responsible for losses of the Customer.

8.2. The Customer is responsible for timely submission of documents and information and for authenticity, correctness, completeness, validity of documents and information submitted to the Bank. In case of submission of false, incomplete, wrong, invalid documents and information or untimely submission thereof, the Bank shall not be responsible for losses of the Customer. If the losses are inflicted upon the Bank as a result of said circumstances, it is obligation of the Customer to compensate them to the Bank in full.

8.3. The Bank shall not be responsible for:

8.3.1. refusal of the Merchant/third party to accept the Card as a means of payment;

8.3.2. for quality of products and services purchased using the Card as a means of payment;

8.3.3. for losses of the Customer that appear in the cases when the Cardholder has been unable to use the Card due to disruptions or damage of the communication lines, or due to other technical reasons and otherwise, that are beyond control of the Bank;

8.3.4. for losses of the Customer that appear in the cases when restrictions or limits set for a third party have interfered with the interests of the Customer/Cardholder or have affected use of the Card as a means of payment.

8.4. The Customer shall be responsible for:

8.4.1. each Transaction with the Card until the moment when the Bank receives the verbal notice from the Customer/Cardholder stipulated by Article 4.6.1.1 of the Terms of Service or the order from the Customer/Cardholder stipulated by Article 4.6.1.2 of the Terms of Service, if the Transaction is approved using the PIN Code, CSC Code, CVV2/CVC2 Code or Security Code;

8.4.2. each Transaction with the Card until the moment when the Bank receives the verbal notice from the Customer/Cardholder stipulated by Article 4.6.1.1 of the Terms of Service or the order from the Customer/Cardholder stipulated by Article 4.6.1.2 of the Terms of Service executed without authorisation (the Merchant accepts the Card for settlements without check-up of the status of the Card, including check-up of the balance of the Account in the Bank) and which does not exceed EUR 150 (one hundred and fifty Euros).

8.5. Responsibility for losses that were inflicted upon the Customer – a consumer in the interpretation of the Consumer Rights Protection Law – as a result of illegal use of the Card, is stipulated by the Consumer Rights Protection Law.

8.6. The Bank returns the funds to the Account for those Transactions, about which the Customer has informed the Bank pursuant to Article 5.1.6 of the Terms of Service subsequent to their recovery at the Bank. The recovery process of the funds is governed by the rules of the International Payment Card Organisations.

8.7. The Bank is not liable for those Transactions, which the Customer/Cardholder has challenged at the Bank pursuant to Article 5.1.6 of the Terms of Service, if malicious acts and/or breaches of the Terms of Service performed by the Customer/Cardholder are established.

8.8. The Customer is informed that the Bank also uses third parties' services to ensure rendering of the Service. The Bank is not responsible for losses and inconveniences of the Customer, should this be a result of third parties' activity or inactivity.

8.9. If the Customer/Cardholder has allowed illegal use of the Card or use of the Card that does not comply with the Service Agreement, the Customer is responsible for all obligations that arise in connection with that.

8.10. If the Cardholder and the Customer is not one and the same person, the Cardholder is not a party of this Service Agreement; therefore the Bank is not responsible to the Cardholder for his/her claims and demands.

8.11. The Bank and the Customer are responsible for non-execution or undue execution of the Service Agreement under the procedure stipulated by the Service Agreement and the effective regulatory enactments of the Republic of Latvia.

8.12. The Bank and the Customer are not responsible for losses that are connected with force majeure circumstances. In case the Card is *American Express*® international payment card, *American Express Limited* is also not responsible for losses that are connected with force majeure circumstances.

8.13. The Bank is responsible for correct execution of the Transaction in accordance with the effective regulatory enactments of the Republic of Latvia. The Customer is entitled to get compensation from the Bank, if he/she has informed the Bank immediately, as soon as he/she found out about the unauthorised Transaction or Transaction executed by mistake, but not later than within 13 (thirteen) months as of the moment of withdrawal of funds from the Account. The Bank immediately covers the losses of the Customer, repaying the amount of the unauthorised Transaction or renewing the balance of the Customer's Account, from which funds were withdrawn, to the state that was before execution of the unauthorised Transaction, if the Transaction has not been contested and has been executed in accordance with the Terms of Service.

9. Restriction of Action of the Service Agreement

9.1. The Bank is entitled to unilaterally:

9.1.1. refrain from debiting or crediting the Account and/or suspend (block) the Card or all of the Cards attached to the Account, if the Bank has suspicion that the Card is used for legalisation of proceeds derived from crime or other illegal activity, or the Customer at the Bank's written request fails to submit to the Bank the information necessary for the Customer's due diligence that would allow to perform the Customer's due diligence by substance;

9.1.2. suspend (block) the Card or all of the Cards, attached to the Account, and/or the Account, if the Customer fails to fulfil his/her obligations to the Bank, has submitted false information or documents to the Bank in the Application or within the term of validity of the Service Agreement, if the Customer/Cardholder does not observe the Service Agreement and/or Credit Limit Agreement (if such is concluded), until violations are eliminated;

9.1.3. suspend (block) access to the funds found in the Account and transferred to it thereafter, should the Bank receive a decision of a competent institution or person on encumbrance of the Customer's funds, or incontestable withdrawal of the Customer's funds until removal of such encumbrance and/or execution or revocation of decision on incontestable withdrawal of the Customer's funds, as well as not to execute said decision if there are no funds in the Customer's Account;

9.1.4. suspend (block) the funds currently found in the Account and transferred to it thereafter, if the Bank uses its right to revoke the Credit Limit and request the Customer to repay the Loan, on the grounds of any of the circumstances stipulated by the Credit Limit Agreement (if such is concluded);

9.1.5. suspend (block) the Card or all of the Cards attached to the Account, if the Bank discontinues issuance of the respective type of the Cards;

9.1.6. suspend (block) the Card, if the information regarding the eventual compromising of the data of the Card of the Customer/Cardholder is received from the International Payment Card Organisation;

9.1.7. suspend (block) the Card, if the Bank has suspicions about unauthorised use of the Card, use of the Card for fraudulent purposes, counterfeiting of the Card, or if further use of the Card may cause losses to the Customer or the Bank;

9.1.8. suspend (block) the Card, if the PIN Code entered by the Cardholder into the ATM or card acceptance device/system three times does not coincide with the data encoded on the magnetic stripe/chip of the Card.

9.2. The Bank is entitled to prohibit unilaterally use of the Card in some countries or with selected merchants without giving prior notice to the Customer/Cardholder, if such prohibition is a protection mechanism for the Customer/Cardholder against the eventual fraud.

9.3. In cases mentioned in Article 9.1 and 9.2 of these Terms of Service the Bank using the communication channels and ways of delivering of information, regarding which the Bank and the Customer have agreed (for example, letter, telephone, SMS, e-mail or Citadele Online Banking message etc.) informs the Customer/Cardholder about blocking of the Card and/or Account and its reasons, if it is possible before blocking of the Card, but not later than immediately after blocking, except for cases when provision of information endangers objectively well-grounded security reasons or it is prohibited by requirements of the regulatory enactments of the Republic of Latvia.

9.4. The Parties agree that the funds blocked in the Account in the amount of the Customer's debt to the Bank are deemed to be financial collateral provided for execution of the Customer's obligations under the Service Agreement.

10. Term of Validity and Termination of the Service Agreement

10.1. The Service Agreement is concluded for an indefinite term and is valid until complete execution of the obligations stipulated by the Service Agreement. The term of validity of the Card shall not be deemed as the end date of the Service Agreement.

10.2. The Customer is entitled to terminate the Service Agreement unilaterally by sending a notice to the Bank using a remote account management service or by submitting the respective notice in any customer servicing centre of the Bank, as well as by submitting all the Cards received in accordance with the Service Agreement. If the Customer's notice on termination of the Service Agreement is received in the Bank till the 5th (fifth) date of a calendar month (inclusive), the Bank closes the Card and terminates the Service Agreement within 7 (seven) calendar days. If the Customer's notice on termination of the Service Agreement is received in the Bank after the 5th (fifth) date of a calendar month, the Bank closes the Card and terminates the Service Agreement on the last day of the respective month. If the Credit Limit Agreement is concluded between the Customer and the Bank, the Customer is entitled to terminate the Service Agreement only by simultaneously terminating the Credit Limit Agreement under the procedure stipulated by the Credit Limit Agreement, if the Parties have not agreed otherwise.

10.3. If the Application is submitted to the Bank using a remote account management service:

10.3.1. the Customer is entitled to terminate the Service Agreement unilaterally within 14 (fourteen) calendar days from the day when it is concluded;

10.3.2. upon termination of the Service Agreement, the Customer shall submit to the Bank all the Cards received in accordance with the Service Agreement not later than within 30 (thirty) calendar days as of the day of submission of the notice on termination of the Service Agreement;

10.3.3. the Bank reimburses to the Customer the paid annual/monthly fee.

10.4. In any case of termination of the Service Agreement the Customer has the obligation to make all of the payments stipulated in the Service Agreement and Credit Limit Agreement (if such is concluded), which are outstanding as of the moment of termination of the Service Agreement, in full.

10.5. The Bank is entitled on its own initiative to close all Cards attached to the Account and to terminate the Service Agreement unilaterally, informing the Customer in writing by sending at least 2 (two) months prior notice.

10.6. The Bank is entitled on its own initiative to close all Cards attached to the Account and to terminate the Service Agreement unilaterally

without the prior notification, mentioned in the Clause 10.5. of the Terms of Service in any of the following cases:

10.6.1. the Bank has the information about the extraordinary circumstances, which is beyond the border of the Bank's influence and which can affect the safety and confidentiality of the Customer's and/or other Bank's client's deposits or can cause the damages;

10.6.2. the rights of the Bank to terminate the Service Agreement unilaterally arise from the legislative acts which is binding to the Bank;

10.6.3. the Customer fails to fulfil the terms of the Service Agreement.

10.7. The Customer is responsible for the Transactions executed with the Cards attached to the Account for 40 (forty) calendar days after the day when the Cards are closed.

10.8. The Customer can receive the Security Deposit and its interest in 40 (forty) calendar days after closing of the Cards attached to the Account and making all the payments stipulated by the Service Agreement and Credit Limit Agreement (if such is concluded), but in the case stipulated by Article 10.3 of the Terms of Service – in 30 (thirty) calendar days after receipt of the Customer's notice on termination of the Service Agreement in the Bank, if the Customer has made all the payments, which are stipulated by the Service Agreement and Credit Limit Agreement (if such is concluded), in full. If the Customer has not made said payments in full, the Bank is entitled to use the Security Deposit and the calculated interest to cover them. The Bank can make a decision on an earlier term of disbursement of the Security Deposit.

10.9. Termination of the Service Agreement due to any reason does not release the Customer from the obligation to pay to the Bank all amounts of remuneration due to it, compensate the inflicted losses, as well as to execute all of the requirements ensuing from the Service Agreement but outstanding as of the moment of termination thereof.

10.10. The Customer pays annual/monthly fee for the Card specified in the Pricelist proportionally to the period of its use till the termination of the Service Agreement. If such fee is prepaid, the Bank in case of termination of the Service Agreement reimburses it proportionally to the period of the use of the Card.

10.11. If a new Card of the Card Product is attached to the account in accordance with the Customer's Application, all Cards of the previous Card Product attached to this Account are closed and the Service Agreement of the respective Card is terminated as of the moment when the Customer and the Bank conclude a new Service Agreement in relation to the Card Product.

10.12. The Customer/Cardholder shall return the Cards received under the Service Agreement to the Bank after the end of their validity or in case if they are replaced, or in case of termination of the Service Agreement.

11. Final Provisions

11.1. All documents that the Bank has received in connection with the Application and/or during the term of validity of the Service Agreement are stored in the Bank.

11.2. The Bank is entitled to amend the Pricelist, General Terms of Business of the Bank and Terms of Service unilaterally.

11.2.1. The information about any planned amendments of the General Terms of Business of the Bank, the Terms of Service or Pricelist before they come into force is available to the Customer in customer servicing centres of the Bank, homepage of the Bank www.citadele.lv, as well as the Customer can receive this information by calling the information service of the Bank.

11.2.2. The Bank is entitled to introduce amendments, which are less favourable to the Customer in comparison with the previous ones, only in case if there is a well-grounded reason. The Bank shall timely inform the Customer about such amendments not later than 2 (two) months before they come into force, using the communication channels and ways of delivering of information, regarding which the Bank and the Customer have agreed (for example, letter, SMS, e-mail or Citadele Online Banking message, etc.).

11.2.3. If the Customer disagrees with amendments made by the Bank, the Customer is entitled to terminate the Service Agreement immediately without penalties, making all payments resulting from the Service Agreement and Credit Limit Agreement (if such is concluded) in full.

If the Customer has not informed the Bank about his/her objections until the date when amendments to the Terms of Service or Pricelist come into force, it is considered that the Customer has agreed with these amendments.

11.2.4. The Bank is entitled to amend the Pricelist, General Terms of Business of the Bank and/or Terms of Service unilaterally, without informing the Customer in advance, if these amendments are made to eliminate harm to interests of all customers of the Bank and stability of the state financial

system, including, but not limited to, in order to limit an excessive outflow of deposits and other attracted funds from the Bank. The Bank shall inform the Customer about such amendments immediately, as soon as it becomes possible, using the means of communication specified in Clause 11.2.2 of these Terms of Service. The Customer's rights to terminate the Agreement shall be explained to the Customer in the information provided on making the corresponding amendments.

11.3. If the Card is *American Express*[®] international payment card and cooperation between *American Express Limited* and the Bank is terminated due to any reason, resulting in termination of the Service Agreement, the Customer may continue receiving a service similar to the Service from an issuer of payment cards to which *American Express Limited* will have issued the respective license. In this case the Bank provides *American Express Limited* with all the necessary information. The Bank is entitled to transfer its rights and duties mentioned in the Service Agreement to any structure of *American Express Limited* or any other duly specified or licensed person without the Customer's and Cardholder's prior consent.

11.4. The Service Agreement is concluded in the Latvian language, which will be used for further communication between the Customer and the Bank. The Parties can agree also on another communication language (English or Russian).

11.5. The effective regulatory enactments of the Republic of Latvia including, but not only, the Payment Services Directive, are applied to the Terms of Service.

11.6. Information on the Service Agreement included into the Payment Services Directive is available to the Customer in accordance with the Terms of Service.

12. Examination of Disputes

Any dispute, claim or controversy between the Customer and the Bank that arises from the Service Agreement, concerns it or its infringement, termination or invalidity shall be settled in accordance with the effective regulatory enactments of the Republic of Latvia in a court of the Republic of Latvia according to jurisdiction.