

## Section II

### Terms of Consumer Credit Agreement

#### 1. Definitions

Agreement	the present Consumer Credit Agreement as entered into by and between the Lender and Borrower
Annual Percentage Rate	the total cost calculated on the Agreement date in accordance with the Cabinet Regulations and expressed as a percentage of the Loan Amount. The Annual Percentage Rate for the Loan Amount is specified in the Agreement, and it is calculated by assuming that the Agreement will be effective for the entire Loan period specified in Part I of the Agreement and that the Lender and the Borrower will fulfil their liabilities under the Agreement
Cabinet Regulations	the effective Regulations on Consumer Lending of the Cabinet of the Republic of Latvia
Interest	the charge for the use of the Loan
Interest Rate	the interest rate specified in the Agreement and expressed as interest per annum
Late Interest	the charge for using the Loan after the end of the Loan repayment period specified in the Schedule and the Agreement, as well as after the date that the Lender has fixed for early performance of obligations in accordance with Clause 7.4 of Section II of the Agreement
Late Penalty Loan	the penalty for delayed payment of the Interest the Loan Amount made available to the Borrower and owed to the Lender
Loan Amount	funds made available by the Lender to the Borrower under the Agreement
Loan Maturity Date	the day when the Borrower is required to make the final Loan repayment in accordance with the Schedule
Party(ies)	the Borrower or/and the Lender
Price List	the Lender's unified price list in force at the time of receiving the service in question, which forms an integral part of the Agreement
Repayment Postponement Period	a period of time during which the Borrower is exempted from the obligation to repay the Loan
Right of Withdrawal	the right of the Borrower to withdraw from the Agreement in accordance with the Consumer Rights Protection Law
Schedule	the schedule for the repayment of the Loan and payment of Interest
Short Term Loan Obligations	the totality of the Borrower's obligations under loan contract(s) existing between the Lender and the Borrower (including, without limitation, Consumer Credit Agreement, Credit Line Agreement, Hire Purchase Agreement, Fixed Payment Card/ Revolving Credit Card / Charge Card) except those secured by real estate mortgage, financial pledge and/or commercial pledge
Total Amount due from the Borrower	the amount calculated on the Agreement date in accordance with the Cabinet Regulations and which consists of the Loan Amount and all and any related costs, including the Interest Payments, the Fee and account opening (if required) and maintenance fees, payable by the Borrower in connection with the Agreement.

#### 2. Disbursement of the Loan Amount

2.1. The Loan Amount shall be made available to the Borrower by the Lender by a transfer to the Borrower's account. The Borrower will be considered to have received the Loan as from the moment when said transfer is effected.

2.2. The Borrower shall pay the Lender a fee for disbursement of the Loan Amount according to the Price List on the day of receiving the amount of the Loan or any part thereof, and a fee for amendment of the Agreement on the day of such amendments coming into force. No fees paid under this clause are refundable to the Borrower.

2.3. Where the Loan Amount, or any part thereof, is made available for the purposes of discharging Short Term Loan Obligations, the Borrower authorizes the Lender to apply the Loan Amount, in full or in part as required, towards discharge of Short Term Loan Obligations, if necessary converting the currencies at the Lender's exchange rate then in force.

#### 3. Loan Repayment

3.1. The Borrower shall repay the Loan to the Lender on the terms and subject to the conditions of the Agreement and the Schedule.

3.2. The Borrower shall be entitled to discharge, in whole or in part, the contractual obligations before final maturity date, subject to a 2 (two) business days' prior written notice to the Lender thereof.

#### 4. Interest

4.1. The Borrower shall pay the Lender Interest on the Loan for the entire actual period of using the Loan.

4.2. The Lender shall be entitled to unilaterally alter the Interest Rate:

4.2.1. after twelve months of the date of the Agreement and thereafter – once a year for as long as the Agreement remains in force, on the basis of general trends prevailing on the loan resources market of Latvian commercial banks, as well as on the basis of assessing the Borrower's solvency (incl. in consideration of the Borrower's income, the aggregate of the Borrower's loan obligations, payment discipline, inter alia);

4.2.2. in cases provided for in Clause 7.4 and Clause 7.5 in Section II of the Agreement.

4.3. The Lender may exercise the rights provided for in Clause 4.2.1 above within 60 (sixty) days by placing a relevant notice to the Borrower on the Lender's Internet banking site (in accordance with the Remote Banking Services Agreement). Where there is no Remote Banking Services Agreement signed with the Borrower, information referred to in this clause shall be delivered to the Borrower to the mail address specified by the Borrower. If, within 60 (sixty) days of the notice on change in Interest Rate being placed on the Lender's Internet Banking site, the Borrower has not requested the termination of the Agreement in writing, the Borrower shall be deemed to have approved the changes and has acknowledged them to be binding on the Borrower.

4.4. The Interest Rate altered according to Clause 4.2.1 above shall come into force on the 61<sup>st</sup> (sixty-first) day of the notice on change in Interest Rate being placed on the Lender's Internet Banking site.

4.5. The Interest shall be calculated on the basis of the Interest Rate and a year of 360 days.

4.6. The Borrower shall pay the Late Interest specified in Part I of the Agreement for the Loan not repaid to the Lender as it falls due and payable for the overdue period.

#### 5. Schedule

5.1. The Schedule shall be deemed to constitute an integral part of the Agreement.

5.2. Where the Borrower does not have access to the Lender's Internet banking services, the Schedule shall be issued to the Borrower at the time of signing the Agreement.

5.3. Where the Borrower has access to the Lender's Internet banking services, the Schedule shall be made available to the Borrower on the Lender's Internet banking site (under the Remote Banking Services Agreement) in two days' time after the date of disbursement of the Loan Amount and within two business days' time of the altered Interest Rate coming into force.

The Borrower will be deemed to have received the Schedule on the third day following expiry of the aforesaid time period, to have read it and approved it provided that the Borrower has not approached the Lender with a written request to issue the Schedule to them within 12 (twelve) days of the date of disbursement of the Loan Amount and within 12 (twelve) days of the altered Interest Rate coming into force.

5.4. The Borrower may, at any time during the Agreement, upon request and at no charge, receive a printout of the Schedule in paper form or via the Lender's online banking facility if the Borrower has access to it (in accordance with the Remote Banking Services Agreement).

#### 6. Payments

6.1. The payments contemplated under the Agreement shall be effected through debiting, by the Lender on the behalf of Borrower, the Borrower's account for the respective amount of money. The Borrower shall provide a sufficient amount of funds in the Borrower's account according to the Schedule on the monthly loan repayment and interest payment dates.

6.2. All of the Borrower's funds, present and future, in the Borrower's accounts with the Lender, are pledged with the Lender as a financial pledge and serve as a security for all of the Lender's claims under the Agreement. In the event of the Borrower failing to provide funds requisite for payments in the Borrower's account in due time, as well as in all other cases when a claim by the Lender against the Borrower arises under this Agreement, the Lender shall have the right to satisfy such claim by enforcing the financial pledge i.e. the Lender shall have the right, without any prior notice to the Borrower, to debit (transfer) the payable amount from the Borrower's account or any other account opened for the Borrower with the Lender or from funds otherwise due to the Borrower. The Lender shall have the right to convert such funds on behalf of the Borrower without any prior notice to the Borrower thereof at the exchange rate of the Lender then in force.

6.3. The Lender shall be entitled to exercise its sole discretion to determine the sequence for satisfying the Lender's claims against the Borrower.

#### 7. Performance of Obligations

7.1. The performance of obligations under the Agreement shall be executed in the currency and in the manner, in which the Loan was made available.

7.2. The Agreement shall continue in full force and effect until complete discharge of obligations contemplated therein and shall be deemed to have been performed as of the moment when the Borrower has repaid the Lender the Loan, paid the Interest, and met other payments due under the Agreement.

7.3. Obligations under this Agreement shall be deemed discharged in due time if performed on or before the last day due for performance of that obligation. Payment obligations shall be deemed discharged as from when

the amount of the respective payment is debited from the Borrower's account.

7.4. The Lender shall have the right to unilaterally withdraw from the Agreement and to demand an early performance of obligations under the Agreement by the Borrower, or, alternatively, increase the Interest Rate at its sole discretion by 5 (five) percentage points, in the following cases:

7.4.1. The Borrower is behind on the Loan repayment or Interest payment dates fixed in the Schedule by more than 30 (thirty) calendar days.

7.4.2. Third party claims are brought against the Borrower or the Borrower's assets or the Borrower is declared insolvent.

7.4.3. The Borrower is not in compliance with Clause 8.5, Section II of the Agreement.

7.4.4. Any of the Lender's Group companies or AB Swedbank (recorded in the Swedish Companies Register under No. 502017-7753) or any companies, in which AB Swedbank, directly or indirectly, holds participating interest, has withdrawn from any contract existing with the Borrower and has demanded early performance of obligations by the Borrower.

7.4.5. Any change has occurred in material circumstances that were relied upon in approving the Loan and setting the Interest Rate (incl. the Borrower's income in the amount of the Borrower's salary was not started or stopped being transferred to the Borrower's account with Lender).

7.5. The Lender shall have the right to unilaterally withdraw from the Agreement and to demand an early performance of obligations under the Agreement by the Borrower, or, alternatively, increase the Interest Rate at its sole discretion by 9 (nine) percentage points, in the following cases:

7.5.1. Borrower is behind on the Loan repayment or Interest payment dates fixed in the Schedule by more than 60 (sixty) calendar days, or such delay occurs more than three times a year with every such overdue lasting more than 30 (thirty) calendar days.

7.5.2. in the case provided for in Clause 8.8 of the Agreement.

7.6. Where the Interest Rate has been raised as stipulated by Clause 7.4, based on the provisions of Clause 7.4.1, 7.4.2, 7.4.3 or 7.4.5, or as stipulated in Clause 7.5, based on the provisions of Clause 7.5.1 in Section II of the Agreement, the Borrower shall be entitled to request the Lender to reduce the Interest Rate to the rate stated in Section I of the Agreement, but in any event not sooner than after three months of having remedied and not repeated the violations referred to in Clause 7.4.1, 7.4.2, 7.4.3, 7.4.5 or 7.5.1 in Section II of the Agreement.

7.7. The Interest Rate amended under Clause 7.4, 7.5 or 7.6 of Section II of the Agreement shall come into force one month after the Lender having notified the Borrower thereof by placing the relevant notice on the Lender's Internet banking site (according to the Remote Banking Services Agreement). If the Borrower does not wish to continue using the Loan Amount at the amended Interest Rate, the Borrower shall have the right to withdraw from the Agreement on the terms of Clause 8.11 in Section II of the Agreement.

## **8. Rights and Obligations of the Parties**

8.1. The Borrower shall promptly notify the Lender of any change in its forename, surname, passport, place of residence, employer or telephone number.

8.2. On the day of receiving the Loan Amount, the Borrower shall pay the Lender the fee for disbursement of the Loan Amount, which shall be debited by the Lender from the Borrower's account.

8.3. The Borrower shall have a duty to present a proof of the Borrower's income during last six months within 7 (seven) calendar days of the Lender's request to do so.

8.4. Where the Borrower's obligations under the Agreement are secured by a guarantee, the Borrower authorizes the Lender to furnish the guarantor with information related to the Agreement.

8.5. If, until disbursement of the Loan, the Borrower's salary was transferred to the Borrower's account with the Lender at least once within last 30 (thirty) calendar days, the Borrower shall have a duty to continue to have their salary transferred to the Borrower's account with the Lender at least once a month.

8.6. The Lender shall have the right to withdraw from the Agreement unilaterally, subject to a 60 (sixty) days' prior notice thereof to the Borrower.

8.7. The Borrower shall provide a sufficient amount of funds on the Borrower's account according to the Schedule as of the monthly Loan Repayment and Interest Payment Date.

8.8. The Customer confirms that the Borrower is aware of the liability associated with furnishing incomplete or false information in the Consumer Credit Application. The Borrower is aware of the fact that whenever a field of a required information is left blank in the Consumer Credit Application, the relevant information is deemed to be absent. Any incomplete or false information furnished in the Consumer Credit Application constitute sufficient grounds for the Lender to unilaterally withdraw from the Agreement and demand early performance by the Borrower of obligations created by the Agreement or, alternatively, increase the Interest Rate at its sole discretion in accordance with Clause 7.5 of Section II of the Agreement, as well as to initiate criminal action against the person who furnished the details or completed the application pursuant to Section 210 or Section 177 of the Criminal Law of the Republic of Latvia.

8.9. The Lender shall be entitled to furnish information to the Bank of Latvia and to receive information from the Bank of Latvia in the cases and subject to the procedure stipulated in the Credit Register Regulations. The Borrower shall have the right to receive such information about themselves, which is included in the Credit Register, subject to the procedure stipulated in the Bank of Latvia's Credit Register Regulations. The Credit Register Regulations of the Bank of Latvia are available on the website of the Bank of Latvia at [www.bank.lv](http://www.bank.lv).

8.10. The Lender shall have the right to debit (transfer) any fees, which are payable under this Agreement as per Price List, from any of the Borrower's accounts held with Swedbank AS or from funds otherwise due to the Borrower; the Lender also shall have the right to convert these funds on behalf of the Borrower without any prior notice to the latter at the exchange rate of Swedbank AS then in force.

8.11. The Borrower shall have the right to terminate the Agreement unilaterally subject to a 2 (two) business days' prior written notice thereof to the Lender, subject to repayment of the Loan to the Lender, and subject to payment of the Interest and other payments due to the Lender under the Agreement.

8.12. It is mandatory under the Agreement for the Borrower to have an account with Swedbank AS. The fee for opening (if required), servicing and maintaining the account shall be paid in accordance with the Price List. The Lender shall be entitled to change the Price List upon at least 60 days' prior notice thereon to the Lender via the Lender's online banking facility.

## **9. Liability**

9.1. The Borrower shall be liable to the Lender for the validity, accuracy and completeness of information referred to in the Agreement, as well as the information that must be furnished for compliance with provisions of the Agreement.

9.2. The Borrower shall pay the Late Penalty specified in Part I of the Agreement from the amount of the Interest payment not paid as it falls due to the Lender for the overdue period.

9.3. The payment of penalty shall not release the Borrower from the duty to duly perform the obligations defaulted.

## **10. Right of Withdrawal**

10.1. Within 14 days of coming into force of the Agreement, the Borrower may exercise their Right of Withdrawal and withdraw from the Agreement without providing any reasons therefore.

10.2. The Borrower shall notify the Lender on the exercising of the Right of Withdrawal in writing by submitting a respective written notice at a Lender's branch or via the Lender's online banking facility if the Borrower has access to it (in accordance with the Remote Banking Services Agreement). The said notice should be provided before the expiry of the timeframe specified in Clause 10.1 of the Agreement.

10.3. The Borrower shall be obliged, without delay and not later than within 30 days of sending the notice of exercising the Right of Withdrawal in accordance with Clause 10.2 of the Agreement, to repay to the Lender the Loan and pay the Interest on the Loan for the entire period of using the Loan.

## **11. Miscellaneous**

11.1. The liabilities contemplated under the Agreement shall come into force as from the moment of signing the Agreement by the Parties.

11.2. The Agreement is made in two counterparts in Latvian. One counterpart shall be held by the Borrower, and the other – by the Lender. Both counterparts of this Agreement are equally valid and enforceable.

11.3. The correspondence contemplated under the Agreement, apart from the Schedule, shall be deemed received within 14 (fourteen) calendar days of being delivered to the Lender's online banking site (in accordance with the Remote Banking Services Agreement) or on the third day after the date indicated in the stamp of the Post of Latvia confirming the acceptance of registered letter for dispatch.

11.4. The Borrower authorises the Lender to verify the accuracy and completeness of any information furnished, as well as the genuineness and validity of the documents presented, to take any other necessary steps or actions and to request any additional information and confirmations from third parties without approving such actions with the Borrower. By signing the Agreement, the Borrower agrees that, for the purposes of delivery of its services, the Lender shall be entitled to process and disclose to third parties the data, which has come into the Lender's possession and is necessary for the performance of the Agreement and other terms of the Lender and for the delivery of services by the Lender.

11.5. Supervisory institution: Consumer Rights Protection Centre, address K. Valdemāra iela 157, Rīga, LV-1013.

11.6. All and any disputes shall be resolved through negotiation. Should the Parties fail to resolve the dispute in question through negotiation, then any dispute, disagreement or claim arising from the Agreement, or concerning it or concerning violation, termination or validity thereof, shall be resolved at a court of law of the Republic of Latvia pursuant to the procedure prescribed in applicable laws and regulations of the Republic of Latvia, unless other agreement exists between the Parties concerning dispute resolution procedure.